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PARIS, WEDNESDAY, FEBRUARY 10, 1993

Very Politely, Japan Warns Clinton Not to Pick a Fight

By T. R. Reid Washington Post Service TOKYO — Japan's foreign minister will arrive in Washington on Thursday to offer the Clinton administration a friendly greeting coupled with a firm warning: If you get tough on Japan, you will be sorry.

The Group of Seven nations prepares to tackle the sluggish world economy, while Japan tries to get fatter and meaner. Page 11.



SOMALI FOOD LINE — Somalis waiting for food rations Tuesday in Mogadishu. Aid groups are finding that food is being skimmed off by village elders. Page 8.

U.S. Weighs 'Aggressive' Peace Plan For Balkans

Proposal Given Clinton Called a 'Complement' To Vance-Owen Effort

By Elaine Sciolino New York Times Service WASHINGTON — Senior aides to President Bill Clinton have presented him with a peace initiative for the Balkans that would appoint a special American envoy to begin negotiations with the warring factions and commit the United States to helping enforce an eventual agreement, according to administration officials.

President Clinton outlines his plan to cut the White House staff and some salaries. Page 3.

Criticizing Embargo, Mitterrand Raises Hopes in Hanoi

By William Branigin Washington Post Service HANOI — As Vietnamese lose hope for an early lifting of a U.S. economic embargo by the Clinton administration, they are looking to France to help renew multilateral lending to Vietnam and provide a counterweight to feared economic domination by Japan.

Bonn Plans to Hit Motorists Where It Hurts, With Tolls

By Ferdinand Protzman New York Times Service BONN — Struggling to generate more revenue, the German government announced Tuesday that it planned to privatize the sprawling autobahn highway system and impose user fees on motorists beginning next year.

Kiosk



A GUEST STAR — A Berlin radio reporter holding her microphone up just in case King Kong has a word for the fans. The five-meter (16-foot) statue arrived from the United States for the opening of the city's 43rd International Film Festival Thursday.

Euthanasia: Acceptance by the Dutch

New Guidelines Will Protect Doctors From Prosecution

By Marliese Simons New York Times Service THE HAGUE — The Netherlands approved a law Tuesday that gives the world's most lenient euthanasia policy, establishing specific rules that allow a doctor to assist in a suicide or to kill a terminally ill patient at the patient's explicit request.

Russia Blocked Nuclear Scientists

MOSCOW (Reuters) — Itar-Tass press agency said Tuesday that Russian authorities had blocked a group of nuclear weapons specialists from boarding a flight to North Korea to work on modernizing Pyongyang's missiles.

Market data table including Dow Jones (Down 22.96), Trib Index (Down 0.12%), and The Dollar (Doll 1.8538).

Clinton Habit: Decisive, but in Own Sweet Time

By David Lauter Los Angeles Times Service WASHINGTON — No one who worked for Bill Clinton at the time has forgotten March 1, 1990 — the deadline he had set for announcing whether to seek a fifth term as governor of Arkansas.

Herald Tribune

Published With The New York Times and The Washington Post

New or Old Democrat?

The deteriorating situation in Nicaragua offers President Bill Clinton an early test of his determination to be a "new Democrat" unencumbered by discredited formulas of the past.

still controlled by the Sandinistas, have gone into action against former members of the anti-Sandinista U.S.-supported contras, and vice versa.

Belarus Shows the Way

Belarus has now formally committed itself to giving up its nuclear arms, the first state in history to do so.

allies in sending a high-level aid mission to Minsk to begin working with the government on monetary and other assistance to help transform the economy.

White House Bungling

Up until now, Bill Clinton & Co. have made a real hash of the selection of someone for the Justice Department.

And Mr. Clinton, who used to answer questions about past marijuana use by saying he never broke the laws of his country (his failure to inhale occurred in Britain), was hardly in the best position to complain about lawyerlike answers.

Other Comment

Tough Talk on Trade
It is obvious that Japan has to conduct difficult negotiations with Washington in the months ahead.

pump-priming package to boost growth, an estimated 18 trillion yen (\$145 billion) has been allocated for spending on infrastructure.

Are the Democracies Back on a Road to Trade Wars?

By Roy Denman

LONDON — Twelve years of Republican rule, and some notable boom and bust — then a new Democratic administration takes charge in Washington and faces some pressing domestic problems.

Both sides have used tough language. The Community's position on public procurement is "intolerable." The top EC trade negotiator, Sir Leon Brittan, has described the American attitude as "unilateral bullying."

Again, the rules on public procurement provide against discrimination between domestic and foreign suppliers. But the United States already has a Buy American Act that gives a price preference to domestic suppliers.

but by patient consultation and tough but rational argument. Second, that a really determined effort be made to complete the Uruguay Round in the next few months.

Serbia: Three Chieftains and a Land-Grabbing Pattern

By Blaine Harden

This is the second of two articles.

BELGRADE — Vojislav Seselj, the large, loud and incessantly outraged Serb who commands the second-largest bloc of votes in the Serbian parliament, controls a group of paramilitary fighters, the Chetniks, which has been accused by the U.S. government of committing assorted war crimes in Bosnia.

At the top, then, is Slobodan Milosevic. Although his regime relies on the brutality of Zeljko Raznjajevic (commonly known as Arkan) and is sustained by the ranting of Vojislav Seselj, Mr. Milosevic attempts to cut a more respectable figure.

With Mr. Seselj available for populist thrumming, Mr. Milosevic has returned to inverted diligence. He goes for weeks without a public appearance. His campaign speeches in December were short, sullen and dull.

Patterns are important in Serbia. In the past six years, as soon as the Serbian state dropped one enemy it picked up another.

They Won't Allow Japan to Push the 'Comfort Women' Aside

By George Hicks

TOKYO — When Fidel Ramos, the Philippine president, visits Japan next month he will say a number of things that Tokyo wants to hear from its Asian neighbors.

How can the Philippines, South Korea, China, Taiwan, Hong Kong, Indonesia, Malaysia and Singapore respect and trust Japan when the government in Tokyo still maintains that force and deception were not used on

40 years of peace on the issue. Influential women's groups have emerged in South Korea, Japan and Southeast Asia. They have rejected the notion of male superiority and argued that prostitution is forced on many women in a patriarchy.

forced to serve as sex slaves or laborers during World War II. Ms. Kim's disclosure inspired Jan Ruff, who was a Dutch comfort woman in the Netherlands East Indies, now Indonesia, to come forward.

Clinton Doesn't Seem to Have a New Policy for Asia

By Chalmers Johnson

SAN DIEGO — In 1955, Edwin O. Reischauer, a Harvard professor who later would be U.S. ambassador to Japan, published a book entitled "Wanted: An Asian Policy."

Rather than continue to pressure Japan to change its economy, negotiate the outcome of trade instead of the rules of trade. This approach is justified because Japan, as it admits, is not the kind of capitalist economy envisioned by the negotiators of the General Agreement on Tariffs and Trade.

has appointed experienced executives of policy but not formulators. If it relies on Cold War thinking and does not develop a new strategic vision, President Clinton may be mousetrapped by a crisis — say, Japan's withdrawal of advanced technology from U.S. military projects.

The Japanese government is fighting back. John Humphrey, a past director of the UN Human Rights Division, says Japan has "presented members of the UN Subcommittee on Human Rights to sub compensation claims by Asian women forced to have sex with Japanese soldiers during World War II."

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صدا من الاصل

OPINION

Why Punish These People Who Just Want to Work?

By A. M. Rosenthal

NEW YORK — Harry was a working man. He loved the outdoors and was happiest farming, laying track or trapping and trading fur in the snow country. But when he could not get work he liked, he took work he hated, like painting houses.

But at about 17, on my first contact with government — filling out papers for part-time work at college — I discovered that Harry had died before becoming a U.S. citizen.

Suddenly I was a foreigner. And when I could not state on what train I had arrived and with what papers, I was classified an illegally landed alien. I was handed an alien registration card and told to carry it always.

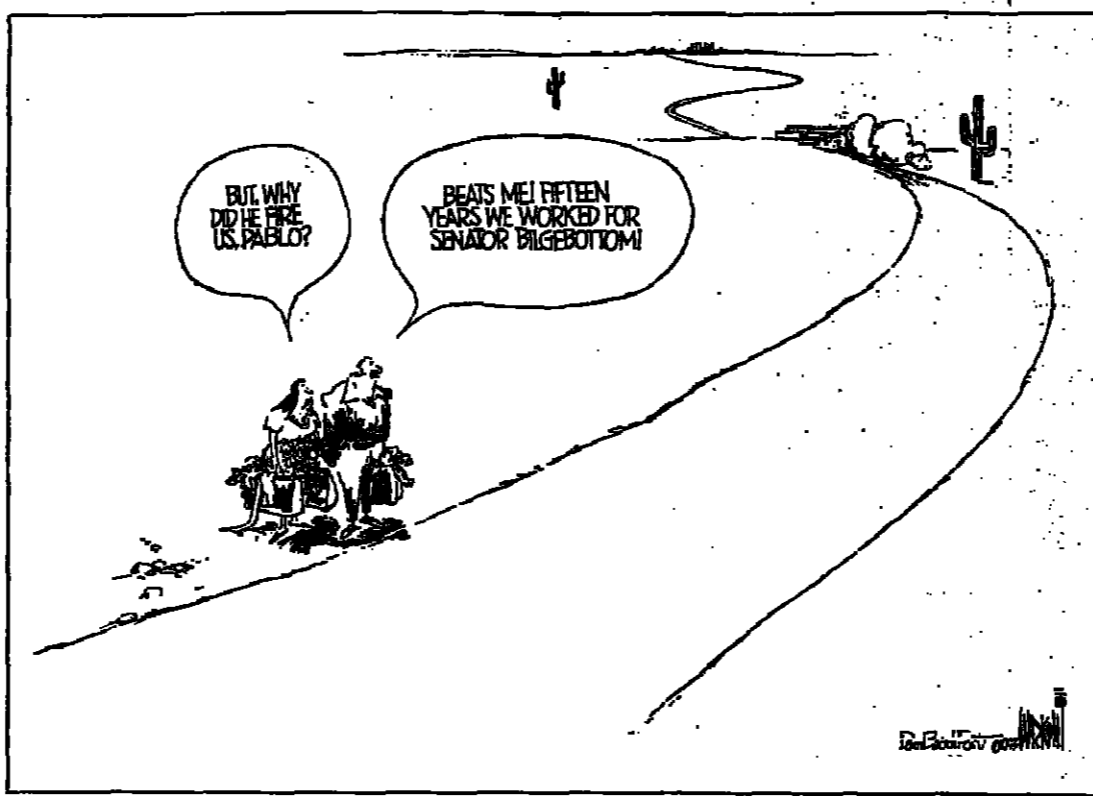
So I remained, illegal and foreign in my country, until about 10 years later, when I could cross the border with return assured. Ever since I have detested the word "alien." It should be saved for creatures that jump out of bellies in movies. Immigrant is a better word, historically proud.

Decades later, prowling along a river with Texas rangers to see them catch crossing Mexicans, I stopped and sat on the ground. I said that's enough — I am one of them, the wetbacks, and not them, the hunters.

In all the Zoë-1 and Zoë-2 talk there is hardly a word about immigrants themselves, and how they believe that the right and duty to work come from God — as America once believed too.

Now immigration is treated as some dour problem that America must overcome. Wasn't it yesterday that immigrants were not a problem but America's boon, a gift of muscle, mind and daring that helped farm the land, build the cities, run the schools and fill the country with music?

"Illegal" immigrants are not some dread disease. They are those trapped at



whatever moment by the latest swerve in laws that keep changing. The newest twist forces Americans who hire them to turn informer — an unpaid work-police.

For me, the moral offense of Zoë-1 and Zoë-2 is that neither said that the law should be changed, lifting at least one burden of hypocrisy from the country's shoulders.

But what are we to do, people ask — let them all in?

Robert L. Bartley, editor of The Wall Street Journal, suggests exactly that in the National Review. But wouldn't that

create competition for jobs needed by American citizens?

Maybe, sometimes, not often. And is competition suddenly sinful? In Harry's time, American workers and unions did not tell him to stay out but to come in and help push up wages.

At least make the laws less persnickety, so that more plain working people, like the "illegal" Irish craftsmen who bejeweled New York, can live openly once arrived, not hunted.

Make government enforce wage, hour and tax laws, not hound working men

and women. Working should be no offense, ever. The contrary: Refusing decent work should be a cause for deportation of "illegals."

Otherwise, what? Build a wall along the nation's borders, mine the waters? Even that will not keep out decent men and women in search of work.

These people are strong, adventurous, brave — the best. They will go where the bread and dignity of work is to be found, no matter the law or barbed wire, always have, always will.

The New York Times

Between the Zoo and You: Twisted Words and Cages

By Charles Siebert

NEW YORK — In 1990 my neighborhood rhinoceros was taken away. He lived just down the block at Brooklyn's Prospect Park Zoo.

I used to go there often in the afternoon and then one day I found it closed. The sign at the fenced-off entrance said the zoo was being converted into a "cageless natural habitat," a claim I first thought redundant and then presumptuous, considering most of the world's remaining natural habitats are caged or fenced to keep us out and the animals in.

As for the animals in Brooklyn, a zoo worker told me that a majority of them

century B.C. kept an assortment of animals in her palace. Aristotle compiled the world's earliest known zoological text by describing 300 of the creatures in Alexander the Great's collection.

It was not until the late 18th century that the public city zoo and zoological society was born, a result of the French Revolution. In 1789 a monk named Louis XVI's Menagerie Royale. The animals they did not eat were sent to the Jardin des Plantes in Paris. Far from having a pejorative connotation, that zoo was seen as another aspect of a civilized person's enlightenment.

Six years after the Jardin des Plantes opened, an early study of animal sensibility took place. An orchestra played to an elephant. It swayed to marching music and slept through a symphony.

A city zoo is a compelling place for the harsh juxtapositions that have many people arguing against them or renouncing them in order to disguise their role: the way Rudy's very presence seemed to throw the whole idea of a city into question, or the way staring at him eventually made us examine who we are for having to spy on animals at all.

With the big mammals disappearing from their homes on earth, it might seem selfish to begrudge Rudy and others a reprieve from an old zoo in Brooklyn. Yet I am not sure what one has to do with the other, why the zoo down the block gets dismantled and renamed because the animals' home in the wild has met the same fate.

People go to a zoo for the same reason they always have, to look up close at the ways we did not evolve, to see other renditions of "living being," from which zoo derives. We look at the animal down the block in order to travel a world away.

Now, however, we are being told that we have discovered and displaced too much of the animals' world to feel anything but guilt about keeping them in such a clear-cut rendition of our own.

We have arrived at an odd juncture where we are not only bringing animals from far away just to place them in thick, jungle settings where we cannot see them. With the change of a name, we are also trying to hide from ourselves that we have come to a zoo to look at them in the first place.

The message from the zoological society is that we should not have zoos even as we go on having them.

As Rainer Maria Rilke, who spent many hours in the Jardin des Plantes, wrote in the "Duisno Elegies":

"The shrewd animals/notice that we're not very much at home/in the world we've expounded."

Mr. Siebert is writing a book about the blurring of the urban and natural worlds. He contributed this comment to The New York Times.

MEANWHILE

had been placed in "safari-like facilities," mostly in the suburbs. I asked about the rhino. I found him the most challenging to draw near to — a stillness to be outmatched by, a breathing part of prehistory, senseless stone.

"Oh, you mean Rudy," said the worker. "He's living happily now someplace in Michigan."

I have never accepted this. Who is to say that once he had suffered the initial insult, Rudy wanted to be displaced again? Perhaps he hated the suburbs, had become fond of the beat of traffic and the daily outline of us, the so-called family of man, at the edge of his nearsightedness.

Now, according to the New York Zoological Society, we will no longer have zoos in the city. We are to refer to our fenced-off homes for the animals as "wildlife conservation parks."

The word "zoo," they say, fails to describe what such homes do.

Indeed, zoos are now the last refuge for many species and their only hope of continuing. But zoological officials also feel the word has acquired too many negative connotations.

The common metaphor "This city is a zoo!" for example, now offends its source, the zoo itself.

Of course, when dwellers might take offense at the suggestion, implicit in this latest rendition of politically correct wordplay, that our city no longer compares favorably with our zoos. Despite the sign changes, most of us will keep using the Z-word. Still, one has to wonder what zoo officials are trying to hide.

When we say a place is a zoo, we mean a patch of wildness within a larger intended order. Our efforts to place the animals further away from us in panoramic settings notwithstanding, that is what a zoo is: the actualization of a deep and, some would say, perverted impulse to have our city, our stay against wilderness and disorder, and a walled-in, visitable part of that wilderness as well.

For centuries this was an impulse only the powerful could act on.

Egypt's Queen Hatshepsut in the 15th

LETTERS TO THE EDITOR

Dust Off the Sherman Act

Regarding the U.S. auto industry's cooperative efforts in jointly lobbying the U.S. government to apply a 25 percent tariff on minivans and four-door sport-utility vehicles, and its recently announced plan to file claims against all imported passenger cars, President Bill Clinton ought to visit the Justice Department and blow the dust off the Sherman Antitrust Act of 1890.

That act mandates civil and criminal penalties for companies and individuals that engage in or attempt to engage in "contracts, combinations in the form of trust or otherwise, or conspiracies in restraint of trade or commerce among the several states, or with foreign nations." The Sherman Act also provides for private parties to bring civil suits against each other to bring the successful party to receive triple damages.

To me the escapades of General Motors, Ford and Chrysler to force up the prices of imported vehicles look like a conspiracy which uses visible coercion

or other tactics to impair competition with foreign manufacturers and their U.S. distribution networks.

If the Big Three insist on trying to wipe out competition through political maneuvering instead of the marketplace, they may end up bankrupting themselves. Triple damages on \$45 billion is a lot of money, even today.

DAVID BLOOM, Ssangyong Motor Co., Seoul.

Bosnia Is Not Insoluble

Regarding the report "What to Do in Bosnia: 2 Perspectives Collide" (Feb. 4) by John Darnon:

Mr. Darnon states the dilemma clearly. A solution would be for Bosnia to become a self-governing trust territory of the United Nations. Self-government would proceed in 10 cantons in accordance with the Vance-Owen formula.

Since a settlement of any international dispute would be instantaneously imposed on the parties by the UN, no

benefit could accrue from trying to foment further unrest. Also, if military intervention were needed, it would not establish a questionable precedent for great-power interference in the internal affairs of weaker states. During the trusteeship period, human rights violations could be likewise monitored without transgressing sovereign rights.

To avoid future Bosnia-type tragedies, the concepts of sovereignty, territorial integrity and self-determination have to be reconciled. Peoples cannot be expected to behave properly in the absence of coherent principles and adequate machinery provisions.

The problem is not insoluble.

JULIE DAHLITZ, Geneva.

Neo-Nazis and the Klan

Regarding "Germany Seeks To Strip Nazis of Political Rights" (Dec. 10):

I am shocked and saddened by the neo-Nazi violence in Germany, but I read with alarm Bonn's request to strip

neo-Nazis of their rights to free expression, voting, lawful assembly and political activity.

My husband and I frequently travel in Germany. The vast majority of Germans we have met are passionately anti-Nazi. Young Germans still feel "responsible" for a war fought long before they were born. Germans have worked so hard for so long against their notations past, they are determined to make sure that what has been achieved is not endangered. They echo the sentiment, "Never again."

The neo-Nazis are a serious problem, just as the Ku Klux Klan has been in the United States. Murderers and fire-bombers must be prosecuted to the full extent of the law. But does any American believe that the KKK could take over the American government? The Nazis will never return to power in Germany.

During a literary conference, my husband related how the American Civil Liberties Union, an organization with large Jewish support, defended the right of the American Nazi Party to march in Skokie, Illinois, a town with many Holocaust survivors. As a Jewish writer, my

husband finds the American Nazis repugnant, but as an American, he believes in the inalienable right to free expression for everyone, including neo-Nazis.

"That is all very well for you Americans," our interpreter told us. "But this is Germany. The neo-Nazis are fascists, they must be stopped, they must be silenced, eradicated at all costs."

But this is exactly what fascism is: the denial of rights for a minority in the guise of the greater public good. A war of words must be fought with words, not censorship. To deny neo-Nazis the right to peaceful assembly, free speech or voters only validates their positions.

LEE WOOD, Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

When you invest in Pakistan, there are around 32 million people to make your products. And another 1.2 billion to buy them. Liberal economic reforms and high returns on investments are attracting multinational companies to Pakistan on an unprecedented scale. Some, like Gillette and Coca-Cola, have come to take advantage of the seventh largest domestic market in the world: over 114 million people and a current GDP of 6.5% growth. Others, such as Daewoo, Alcatel and Shell, are capitalising on the government's aggressive privatisation programme. They are playing a major role in developing Pakistan's infrastructure by building roads, expanding telecommunications and powering the nation. And then there are companies like Johnson & Johnson. They are reaping the numerous benefits of Pakistan's Export Processing Zones including no import or export tariffs, tax holidays up to the year 2000, minimum red tape for set-up, access to abundant raw materials and a productive, low-cost workforce of around 32 million people. And they are not alone. Over 229 industrial units worth around \$210 million are already operational. Most are accessing Pakistan's historic and strong trade links with China, the former Soviet Central Asian Republics and the Middle East, a regional market of well over a billion people. Whether you want a domestic market of millions or exports of billions, contact the Embassy of Pakistan in your country or the Pakistan Investment Board in Islamabad, Pakistan, fax: 92-51-215554. Pakistan One country. Infinite possibilities.

Handwritten signature or stamp at the bottom of the page.

Economy Seen as Key to U.S. Asia Policy

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — To sift the clues in search of President Bill Clinton's view of Asia is to discover something already well known but rarely applied to foreign policy: that Mr. Clinton wants, above all, to place the U.S. economy on a sound, competitive footing.

No other policy goal looms larger, judging by the advice the White House gets from Asia experts, by the people Mr. Clinton has appointed, by the testimony of Secretary of State Warren M. Christopher, and by Mr. Clinton's public positions.

From this overarching goal flow the more specific aims Mr. Clinton and Mr. Christopher appear to have set out for East Asia:

- To redress U.S. trade deficits with Japan and China.
- To avoid any military entanglement that could prevent the White House from cutting the U.S. defense budget.
- To see Asian powers enhance their domestic economies for the sake of improved global growth.
- To encourage democracy and free markets, especially in China.

Some analysts argue that, if economic concerns are paramount, Mr. Clinton could also seek to restore diplomatic relations with Vietnam. Mike Mochizuki, an expert on Japan and an occasional Clinton adviser, argues that this "makes sense strategically and economically" but carries a political cost at home.

What Asian leaders are acutely eager to learn is how the new American president plans to implement an Asia policy that they already view with deep suspicion. The answer may not emerge soon, but senior U.S. officials seem to be signaling that they will proceed more conservatively than Mr. Clinton's campaign rhetoric suggested.

It probably will be a couple of months before the Asia policy surfaces, unless there is some sort of crisis," Mr. Mochizuki said.

Mr. Christopher, in his Senate confirmation hearings last month, left little doubt that he would be focusing on trade and economic issues more keenly than has perhaps any recent secretary of state.

The first "pillar" of U.S. foreign policy, he declared, will be "to elevate America's economic security as a primary goal." And he said he would increasingly pursue "economic diplomacy."

There is no need for an Asian version of NATO, Mr. Christopher said, because the current trend in the Pacific of regional organizations based on "economic units" is preferable.

At stake for the United States in Asia is a U.S.-Pacific trading relationship that totaled

\$316 billion in 1991, compared with a U.S.-European trade level of \$221 billion.

Trade with Japan is at the core. Mr. Christopher said last month that he wanted to help open Japanese markets but also wished to "steer clear of the reefs of rearmament."

Mr. Mochizuki, who teaches international relations at the University of Southern California, has told Clinton advisers that the White House needs to negotiate agreements with Japan that result in a larger market share for U.S. products. At the same time, the president must guard against the creation of a powerful protectionist coalition at home, Mr. Mochizuki said in an interview.

Mr. Christopher told the senators that he would emphasize "preventive diplomacy" worldwide. But according to a number of analysts, a pivotal question is whether flash points in the Balkans, Russia, Haiti and the Middle East will so dominate Mr. Christopher's attention that he is unable to pursue long-term goals in Asia.

The general view, however, is that Mr. Clinton will eventually focus more on Asia than his predecessor did.

"The Bush administration paid so little attention to Asia that it is hard for it to recede further down on the agenda," Daniel Unger, an Asia expert at Georgetown University, said in an interview. He added that Mr. Clinton "clearly is interested in having a more aggressive trade policy, and most of the trade problems are in East Asia."

Mr. Clinton himself has relatively little Asia experience beyond trade missions to Japan, South Korea, Hong Kong and Taiwan while governor of Arkansas.

Mr. Unger says that a continuing challenge will be preventing trade disputes from dominating political goals. The president should, for example, stress that Japan is worthy of a seat on the United Nations Security Council, both Mr. Unger and Mr. Mochizuki believe. Both also say Washington could benefit from assuming a less ambivalent role in ASEAN, the Association of South East Asian Nations.

According to these and other analysts, two potential political crises in Asia that could command Mr. Clinton's attention are pre-election violence in Cambodia and Chinese claims to the Spratly Islands in the South China Sea.

None of the points Mr. Christopher made in his confirmation hearings were stronger than those concerning China. He believes Beijing must curb its exports of sensitive military equipment, help erase a \$17 billion trade surplus with the United States and move forward in human rights issues.

With the Cold War over, Mr. Christopher

signaled a policy that goes well beyond containment of communism.

"Our policy will be to seek to facilitate a broad, peaceful revolution in China from communism to democracy by encouraging the forces of economic and political liberalization," he told the senators. China's trade surplus, he said, "cries out for correction."

Nevertheless, Mr. Christopher has sought to avoid a head-on collision with Beijing over whether Washington should renew favorable trading status for China. Washington, he said, must keep in mind "the advantages" of retaining most-favored-nation status as long as China documents human rights improvements.

"Creative diplomacy" will be needed on China, he conceded, and he ruled out unilateral U.S. recognition of an independent Tibet.

In his extensive remarks on Asia policy last month, Mr. Christopher also made these points:

- "Significant" U.S. forces should remain in South Korea as long as North Korea poses a threat. U.S. troops should also remain in Japan. This presence will help compensate for the loss of U.S. bases in the Philippines.
- Supporting further steps to unify Korea may have to await a clearer shift in power from Kim Il Sung to his son.
- Dominance over Cambodia by Khmer Rouge forces would be "unacceptable" to the United States. United Nations forces there should be allowed to react more strongly to provocations from the Khmer Rouge.
- The United States should create Radio Free Asia to encourage changes in China, Vietnam and elsewhere.
- APEC, the fledgling Asia Pacific Economic Cooperation group, is a "very promising" regional organization.

One Asia expert said to be familiar with White House thinking foresees a "modest" military retrenchment by the United States. This will be driven largely by budgetary pressures rather than desire to withdraw.

The chief Asia policy official in the State Department is Winston Lord, the former ambassador in Beijing. This has given rise to some anxiety among Japan experts that China will dominate Washington's Asia agenda. Some also believe that China will dominate simply because it presents more acute problems for Washington than Japan does.

Others cite the naming of Thomas C. Hubbard as a deputy to Mr. Lord. Mr. Hubbard, the U.S. deputy chief of mission in Manila, is a career foreign service officer who headed the State Department's Japan bureau in the Reagan administration. He has had three postings to the U.S. Embassy in Tokyo.



Prince Norodom Sihanouk being welcomed to Phnom Penh on Tuesday by Yasushi Akashi, the UN representative in Cambodia.

A Wary Sihanouk Returns to Cambodia

Compiled by Our Staff From Dispatches

PHNOM PENH — The Cambodian head of state, Prince Norodom Sihanouk, returned to Phnom Penh on Tuesday to be host to President François Mitterrand later this week and to preside over a meeting of Cambodia's Supreme National Council.

The prince, who received a warm welcome, expressed concern about the United Nation's shaky peace plan for his country.

Asked about the state of the peace agreement, he replied: "I'm not pessimistic but I cannot say I'm optimistic. I'm going to try and tackle the different problems."

Khmer Rouge guerrillas have refused to take part in UN-brokered elections, and there has been a campaign of political violence and assassination directed against the main opposition parties.

UN peacekeepers were investigating an overnight attack on UN offices in the northwestern part of the country that left 5 Cambodians dead and 16 wounded.

Prince Sihanouk, 70, arrived aboard a North Korean jet. He left Cambodia in November and has been suffering from circulation problems attributed to his diet, according to Chinese doctors. He spent most of his time in Beijing, where he had long lived in exile.

Accompanied by his wife, Princess Monique, Prince Sihanouk appeared relaxed and in a warm mood as he exchanged greetings with a long line of Cambodian officials and diplomats. He appeared eager to move quickly past the Khmer Rouge leader, Khieu Samphan, and only briefly feigned a welcome salute.

Prince Sihanouk faces a busy schedule this week, beginning on Wednesday when he heads a meeting of the Supreme National Council, the national reconciliation body that is made up of all the country's factions.

On Thursday he will meet Mr. Mitterrand, who will be arriving

from Vietnam for a two-day visit. Asked if he would change his mind about running in presidential elections, the prince said he had already made clear his views on the subject. But he has changed his mind three times on whether he wants a presidential election.

(AFP, AP)

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(AFP, AP)

Nobel Laureates to Pressure Burma

By Philip Shenon
New York Times Service

BANGKOK — In an unusual lobbying campaign, the Dalai Lama and several other recipients of the Nobel Peace Prize plan to meet in Thailand next week and travel to the Burma border to demand freedom for Daw Aung San Sun Kyi, the dissident who won the 1991 peace prize and who is now under house arrest in her country.

Organizers of the meeting said that the others planning to attend the meeting were Archbishop Desmond M. Tutu of South Africa; Oscar Arias Sanchez, the former president of Costa Rica; Mairead Maguire and Betty Williams, who led a campaign to end violence in Northern Ireland; and Adolfo Pérez Esquivel of Argentina, who helped expose a wave of government-sanctioned killings in Argentina in the 1970s.

Daw Aung San Sun Kyi has been detained under armed guard since 1989 in her family's lakeside villa in Rangoon, and has been allowed only a handful of visits with her husband and two children.

The participation of the Dalai Lama, winner of the 1989 peace prize, was made possible on Monday when the government of Thailand said it would grant him a

visa. Earlier, Thai officials had suggested that he would be denied a visa out of concern that his visit would anger China.

Officials organizing the action next week said the prize recipients would travel to the Thai-Burma border to meet with students and other dissidents who fled Burma after a 1988 crackdown on democracy demonstrators.

The Thai foreign minister, Prasong Soontri, was quoted in Bangkok newspapers as saying that the government had decided to allow the Dalai Lama and other Nobel laureates to travel to Thailand to join in next week's protest on behalf of Daw Aung San Sun Kyi.

The hosts of the Bangkok conference, the International Center for Human Rights and Democratic Development, said that they had received confirmation that the Dalai Lama would attend the four-day gathering that is scheduled to begin in Bangkok on Feb. 17.

Rangoon junta spokesmen have been quoted as saying that Daw Aung San Sun Kyi will be held under house arrest indefinitely unless she agrees to quit politics and leave Burma.

Panel Fears Backfire if U.S. Curbs China Trade

By Don Oberdorfer
Washington Post Service

WASHINGTON — A prestigious group of former U.S. officials and experts on Asia has urged President Bill Clinton to abandon his commitment to place conditions on U.S. trade benefits for China.

A "large majority" of a 74-member study group recommended that preferential trade status for China not be withdrawn or placed under new conditions, according to a report by the group. It was led by a

former deputy secretary of state, John C. Whitehead, and a former World Bank president, Barber B. Conable Jr.

Such steps would be "counter-productive," the report contended, and would harm the most dynamic sectors of the Chinese economy. It would also place U.S. business at a competitive disadvantage in China and make it impossible to achieve a balance among rights, economic and security objectives with Beijing, the report said.

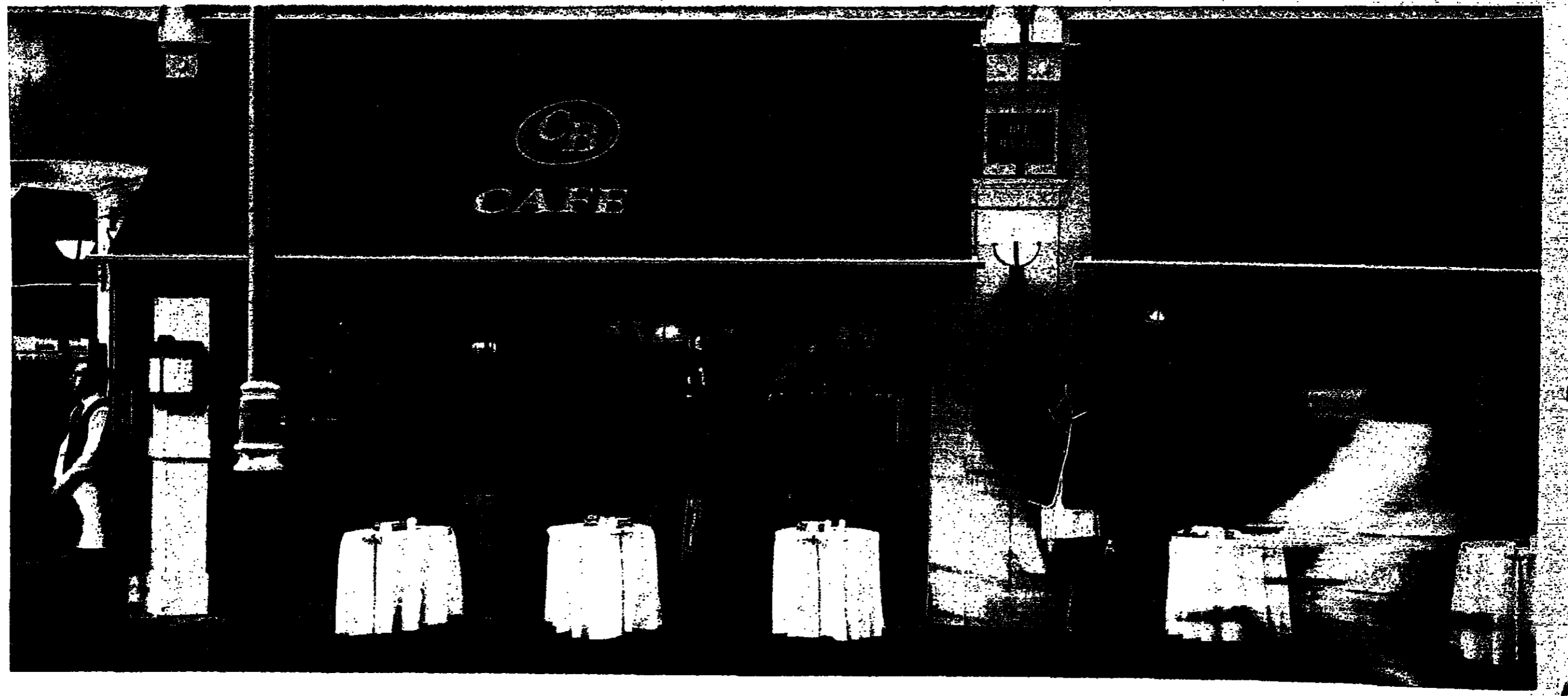
The report, issued Monday, was the opening move in what specialists on the region expect will be an extensive governmental debate on U.S. policy toward China. The subject has been one of repeated confrontations between Republicans and Democrats.

Since army troops killed democracy demonstrators near Tiananmen Square in Beijing in 1989, Congress has repeatedly voted to place human rights requirements and other conditions on the contin-

uation of trade benefits for China, but each time this was vetoed by President George Bush.

During the election campaign, Mr. Clinton repeatedly called for the imposition of such conditions, attacking President George Bush for "coddling China."

In statements since the election, President Clinton has toned down his rhetoric but continued to advocate placing conditions on most-favored-nation trade status.



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Yeltsin Seeks Alternative to Referendum

MOSCOW — President Boris N. Yeltsin agreed Tuesday to consider alternatives to a constitutional referendum that many politicians said might destabilize Russia. Mr. Yeltsin told a constitutional commission that he wanted to meet his conservative rival, Ruslan I. Khasbulatov, and the chief justice of the Constitutional Court, Valeri D. Zorkin, in a televised debate. "Let us proclaim 1993 the year of a moratorium on all political fighting and other major events," he said. "I am in favor of early elections," he said, "but they should take place on equal ground. That is, the presidential and parliamentary terms should be cut by the same number of years."

new charter to replace the Soviet-era constitution. The compromise quickly began to crumble. Negotiators failed to agree on the wording of ballot propositions, and Mr. Khasbulatov has called for simultaneous presidential and parliamentary elections next year. Mr. Yeltsin's term is currently scheduled to expire in 1995 and parliamentary terms in 1996. Even Mr. Zorkin, the mediator, warned of the dangers of holding a referendum, saying it could bring a dictator to power. Mr. Yeltsin discussed the referendum Tuesday with regional and district administrators, among his pillars of support. Some urged him to call off the referendum, according to Vyacheslav Kostikov, a Yeltsin spokesman. He said Mr. Yeltsin asked for a few days to consider options and confer with politicians.

Labor Bids to Trip Major on Maastricht

By John Darnton New York Times Service

LONDON — The Labor Party has decided to oppose the Conservative government on a point that could complicate or even threaten Britain's ratification of the treaty to achieve monetary and political unity in Europe. The Labor Party leader, John Smith, in an interview Tuesday in The Times, also held out the prospect of an alliance with some Conservatives who oppose the treaty.

If that happened, Prime Minister John Major would probably find it difficult to win ratification of the Maastricht treaty in Parliament this winter. In November, Mr. Major defeated a similar Labor-Tory backbencher coalition in Parliament by only three votes, and that was with the support of 19 Liberal Democrats who would not be likely to back him this time.

Britain's efforts to come to grips with the Maastricht treaty — a document that many people here regard with suspicion — have fallen into a snare of conflicting political principles and ambitions. Both the Conservative and Labor leadership in the European Community as it seeks to become a more unified political entity. Some of that support, however, has been eroded by the economic buffeting that came when Britain withdrew the weakening pound from the Community's exchange-rate mechanism in September.

Major then used the exemption as a major selling point to gain the Conservative Party's support for the treaty despite a campaign by skeptics including Mr. Major's predecessor, Margaret Thatcher.

In his interview in The Times, Mr. Smith said he would press for an amendment to end Britain's exemption from the social chapter. Although Mr. Major presumably could not accept such an amendment, it would appeal to left-wing Labor members as well as to Britain's third party, the Liberal Democrats.

In addition, some members of the Conservative Party who oppose closer ties with the rest of the Community have been talking about supporting the amendment — not because they approve of the social provisions but because they calculate that it would amount to a change in the treaty that would have to be approved by all Community governments, further slowing the Community's unity process.

MITTERRAND: Visit Raises Hopes in Vietnam

(Continued from page 1)

an entourage of more than 200 people. "France would like to make Vietnam a stepping stone for business in Indochina and use Indochina as a stepping stone to Asia," a senior Vietnamese official said. French officials have expressed concern that Japan, in seeking to expand its trade and investment in the region, could turn Vietnam into a virtual "economic colony."

Last week, the Japanese Federation of Economic Organizations, known as Keidanren, held a joint conference with Vietnamese au-

thorities that was attended by more than 100 representatives of Japanese companies. Whereas Vietnam formerly traded almost exclusively with the Soviet Union and Eastern Europe, it now counts Japan as its leading trade partner, with \$1.2 billion in total volume last year. Japan currently ranks fifth in investment in Vietnam.

U.S. companies have shown increasing interest in Vietnam since President George Bush eased the embargo on Dec. 14, allowing American companies to open offices and sign contracts with Vietnam. But American companies

cannot execute any deals until the embargo is lifted.

Mr. Mitterrand told General Anh on Tuesday that France would intervene to restore Vietnam's eligibility for IMF and World Bank loans.

[One of Mitterrand's economic advisers, meanwhile, announced that France would double its direct financial aid to Vietnam to \$65 million this year, and added that Mitterrand had agreed to consider Haanoi's request to cancel its \$290 million debt to France, Agence France-Presse reported.]

CLINTON: A Habit of Taking His Time on Decisions

(Continued from page 1)

trated on setting broad principles and selling his plan to voters.

In many ways, Mr. Clinton more resembled Franklin D. Roosevelt, according to a historian, Michael R. Beschloss. "Roosevelt was expert in hearing out many people within his administration, many of whom disagreed with one another, making them all feel they had been listened to and included," Mr. Beschloss said. "It helped blind people to him and also kept these people in suspended animation" until the president was ready to make a decision.

But while Roosevelt's way clearly worked for him, Mr. Beschloss and others question whether the same will be true for Mr. Clinton. What allowed Roosevelt to succeed, Mr. Beschloss notes, was the president's "exquisite sense of timing," a sixth sense about the ideal time to release a decision to the public.

By contrast, poor timing has been Mr. Clinton's chief problem in the last few weeks, particularly in the

politically costly fight over lifting the ban on homosexuals in the military.

Mr. Clinton's defenders argue that the timing on that issue was not his to control. The military and its allies in the Senate ambushed Mr. Clinton. White House aides maintain, leaving the president with no way to avoid a fight, except to back down entirely from his campaign pledge to lift the ban.

Even some Clinton aides, however, concede that the issue would have faded had Mr. Clinton stuck to his plan and had an economic package ready the day he took office. "That was probably unrealistic" from the start, said a senior aide. But it was Mr. Clinton who first raised expectations that he would be able to achieve that goal.

Mr. Clinton's style brings some clear advantages. "He invites a lot of people into a room and listens to them yell and scream," said a White House aide who acknowledged that the president "does tend to delay."

DUTCH: A New Law Code Makes Euthanasia Easier

(Continued from page 1)

euthanasia in 1990 and approximately 400 cases of physician-assisted suicide, or about 2 percent of all deaths in the Netherlands. It suggested that doctors had evidently refused the majority of the requests because in the same year there were some 9,000 requests for euthanasia.

In a parallel study, researchers from four universities reported that in two-thirds of the cases, euthanasia was performed by the family doctor, in the home. They said that 85 percent were cancer patients

and that the remainder included people suffering from AIDS and multiple sclerosis, all of them in the final stages of their lives.

The conditions under which Dutch doctors will not be prosecuted have already been cited in a number of cases in court.

The doctor must be sure that the request to die is voluntary and not made under pressure from others; the patient must be undergoing unacceptable suffering and have no hope of recovery; the patient must request euthanasia explicitly, over a period of time — not on an im-

pulse — and at the time must be competent and well-informed of all solutions that could prolong life. Another experienced physician must see the patient independently and support the decision.

■ A Suicide in Michigan

The retired pathologist Jack Kevorkian helped another person end her own life, his lawyer said, according to a Reuters report from Southfield, Michigan. It was the third suicide in five days that he had assisted and the 12th since he began the practice in 1990.

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09.00 KEYNOTE ADDRESS
The Rt. Hon. Lord Young of Gramtham, Executive Chairman, Cable & Wireless plc
09.45 THE PEACE DIVIDEND - IMPLICATIONS FOR R&D
Francoise Heilsbourg, Senior Vice President, Strategic Development, Matsushita Electric Industrial Co., Ltd., Paris
10.45 Coffee
11.15 GENERATING PROFITS FROM NEW TECHNOLOGIES
Moderator: Michael D. Uva, Executive Director & Head of the European Technology Group, Morgan Stanley International, London
12.45 Lunch - hosted by Unilevs, Europe & Africa Division
DOLLARS & DNA: A NEW CHALLENGE FOR BIO-TECHNOLOGY
Bernadine Healey, Director, National Institute of Health, U.S.A.
14.45 HARNESING BRAIN POWER: THE ROLE OF BASIC RESEARCH
Moderator: Axel Krause, Corporate Editor, International Herald Tribune
15.45 Tea
16.00 GLOBAL CORPORATE ALLIANCES: DO THEY WORK?
Karlheinz Kuska, former President and CEO, Siemens A.G.
MARCH 26
09.00 KEYNOTE ADDRESS
Helmut Rosenhuber, Former Minister of Research & Technology, Germany
09.30 INVESTING IN R&D: ESTABLISHING CRITERIA FOR PUBLIC & PRIVATE SECTORS
Moderator: Michael Obama, Head, Science & Technology Policy Division, OECD, Paris
11.10 Coffee
11.30 THE CONTROVERSIAL ROLE OF SUBSIDIES
A Corporate View: Jorma Ollila, President & Chief Executive Officer, Nokia Corp., Helsinki
12.30 TECHNOLOGY TRANSFER & INTELLECTUAL PROPERTY RIGHTS
Moderator: Richard Bates, Director, ICC UK
13.00 LUNCH
OUTLOOK FOR HIGH TECHNOLOGY - A PERSONAL VIEW
Wimse Dekker, Chairman of the Supervisory Board, Philips Electronics N.V.
15.30 CLOSING REMARKS
Jean-Charles Routhier, Secretary General, International Chamber of Commerce, Paris
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Aid Groups in Somalia Find Food Is Being Skimmed Off by Village Elders

By Diana Jean Schemo
New York Times Service

GORSENE, Somalia — The scene awaiting relief workers was familiar. A courtyard that should have been in use as a feeding kitchen was covered with animal waste, with no cauldron in sight; the self-appointed elders demanded salaries to haul water they said was 10 kilometers away, although the village had a dam and two wells.

Five days earlier, the Red Cross had given Gorsene's elders a 10-day supply of food for the kitchen that ended up being sold at the market in Baidoa. The relief organization CARE had delivered hundreds of sacks of wheat to Gorsene, and Goal, an Irish charity, had brought porridge, oil, milk, butter, biscuits, sugar and blankets.

Only the tasteless porridge, which has no

value in Somalia's marketplaces, reached the village's hungry families.

"The Red Cross sends us 200 sacks of rice, and 180 go to the market," Barch Hussein Hassan, a farmer, told Thomas Niederer, a Red Cross worker who had come to check on whether the kitchen was operating. Hussein Hassan impatiently waved a hand toward a group of elders gathered nearby. "We never receive any food. They have very deep pockets."

The price at which the elders sell the donated rice is very low — \$8 for a 110-pound (50-pound) sack. But even this price is out of sight for people like Hussein Hassan who rarely has any money these days.

As the famine and fighting that have killed more than 300,000 Somalis, relief officials are taking a closer look at the terms set by elders and factional leaders to assure delivery of aid. They are renegotiating agreements that

dered on extortion and addressing the worst cases of corruption, like the diversion of hundreds of sacks of dry food intended for the hungry.

In villages like Gorsene, some aid groups are only now discovering that other agencies have also been providing help, meaning that more was delivered than may have been needed.

"In the beginning, there were people dying everywhere in Baidoa," said Paul Oberson, head of the Red Cross operation in Baidoa. "The most important thing was to get food to them. We couldn't stop to worry about how much of it was being taken off the top."

While most aid workers agree that some stealing is inevitable, the level of corruption here goes beyond mere skimming. In the worst cases, leaders leave only the dregs for their people.

Aid workers say the only recourse left is to

flood the market with relief supplies so that everything from food to cooking pots to blankets loses value on the open market and becomes less attractive to looters.

Leaders whose villages lie on the road to far-flung pockets of hunger have demanded food as a kind of road toll for safe passage. Aid elders in villages like Gorsene, a dusty outpost some 32 kilometers (20 miles) southwest of Baidoa, usually demand a hefty share of any food or supplies provided to displaced people who come here, relief workers said. There are five camps in Gorsene for safe refugees.

"The displaced get the worst of everything," said Mary Corbett, an aid worker in Goal's office in Baidoa. The Irish aid group has been running a feeding kitchen and clinic at Gorsene since September, she said, but only learned recently that the Red Cross has been delivering food to the village since Aug. 20.

At another village on the road from Baidoa to Gorsene, Ilyu Mumin, elders told relief workers that 600 of 900 sacks of wheat had been looted on the road from Baidoa, Ms. Corbett said.

"I checked their storeroom and saw sacks of wheat they were trying to sell," she said. "They told me they bought it at the market."

Warlord Smubs Talks With Marines
Somalia's leading warlord, General Mohamed Farrah Aidid, failed to attend talks that he had requested with U.S. commanders on Tuesday after American troops detained his top lieutenant for illegal arms possession, Reuters reported from Mogadishu.

"For whatever reason he has decided not to turn up and has not said why," said Colonel Buck Bedard, commander of U.S. Marines in Somalia's capital, Mogadishu.

The talks were called by General Aidid to discuss security issues and to thank the American multinational force for establishing a school in Mogadishu, Colonel Bedard said after waiting for the warlord for more than an hour.

General Aidid's snub of the Americans followed the brief detention on Monday of Omar Jess, a former army officer who controls several thousand militiamen and who is allied to the general. Colonel Jess was stopped at a military roadblock near Mogadishu.

The U.S. military command said Colonel Jess and 31 supporters were released after questioning about machine guns, rocket-propelled grenades and lighter weapons found in their two vehicles.

Under operational rules drawn up by the 23-nation force to end looting of food aid, no one is allowed to carry weapons without its permission.

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Golden Globes: Who Pays Tab?

By Bernard Weinraub
 New York Times Service

HOLLYWOOD — Is this another Golden Globes crisis? Is this like the embarrassing Pia Zadora incident? It has been two weeks since the Hollywood Foreign Press Association unexpectedly awarded the Golden Globe for best picture of the year to "Scent of a Woman." The film won over such acclaimed movies as "Howards End," "A Few Good Men," "The Crying Game" and "Unforgiven."

But now Hollywood is buzzing that numerous members of the foreign press group flew en masse to New York to see the film and to meet Al Pacino, its star, before the vote. Coincidentally, the group voted Pacino best actor. Who paid for what remains very unclear.

Executives at Universal Pictures, which made the film, give differing accounts of who picked up the bills. One executive said the studio paid, another said the foreign press group might have dined out some money for the air fare. And the Hollywood Foreign Press Association says it's not really sure.

"What's the difference if we paid or not?" asked Mirjana Van Blaricom, the president of the organization, who said she wrote for Swedish and Norwegian newspapers. "Most of the time we take care of our trips. Sometimes we pay. It depends. The important thing for us is the interview. Who paid for what is irrelevant."

Hollywood's relationship with journalists, foreign or American, has sometimes been more than murky, and studios often pick up the air fare and hotel bill at press junkets for television stations and smaller newspapers. (The New York Times is among the many large news organizations that bar such arrangements.)

But this incident involving "Scent of a Woman" seems a bit more blatant than usual since it came so close to the group's voting its awards.

One seemingly embarrassed senior studio executive said, "I've been waiting for somebody to talk about this." But another studio executive, who also spoke on condition of anonymity, said there was nothing wrong or improper about members of the association flying to New York for a session with a movie star. Free of charge, or not.

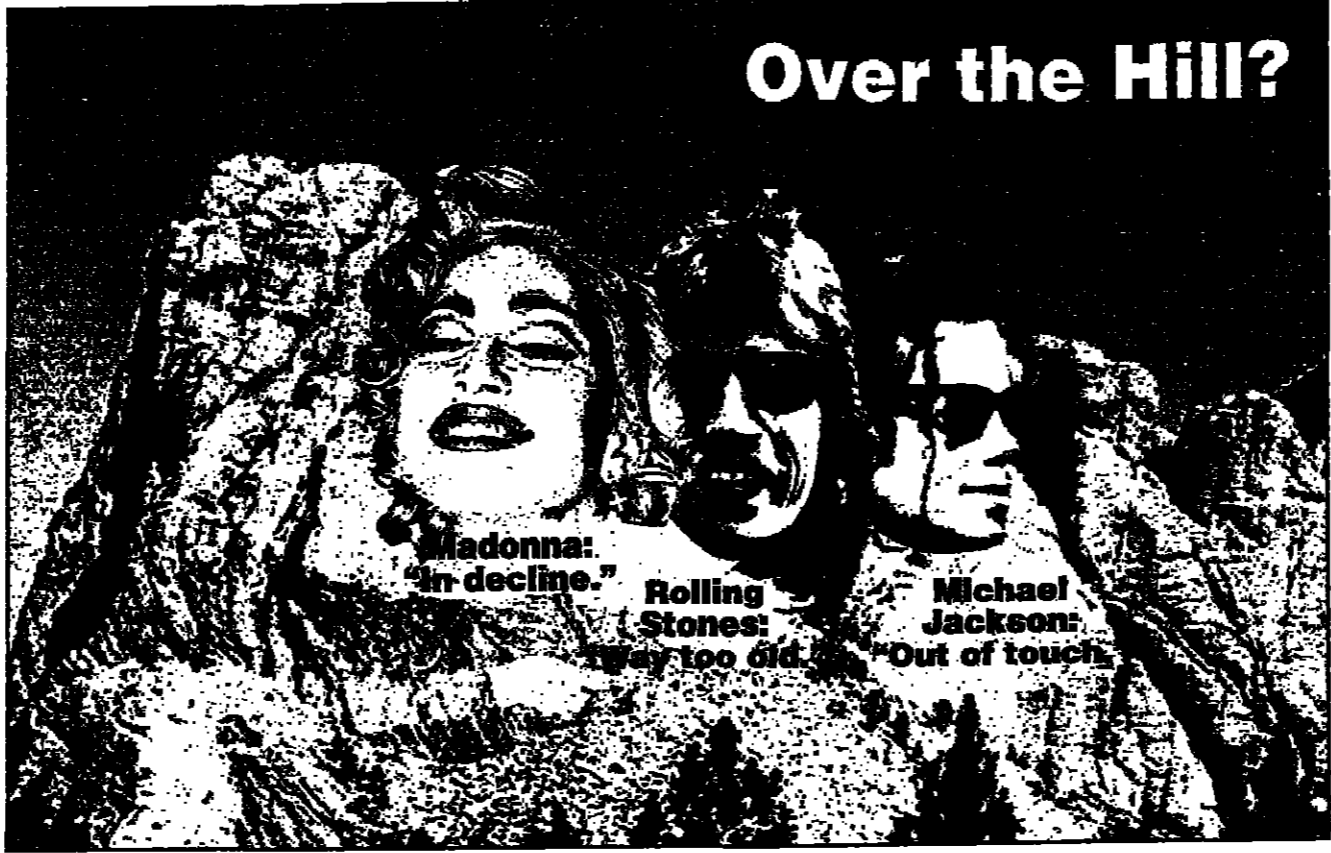
The annual awards are given by the 87-member press association, made up mostly of foreign free-lancers who write for overseas publications. In recent years, the Golden Globes have been viewed as being somewhat influential on the Academy Awards. And the prizes are exploited by movie studios who lavishly cite the Golden Globe Awards in promoting their films.

BUT the Foreign Press Association has always been a bit mysterious, even by Hollywood's slippery standards. Its members' publications are rarely listed in the phone directory. Some of the journalists don't seem to write much. And over the years several of them have reportedly also owned boutiques or worked as waiters.

And then there was that unfortunate incident in 1981 when the group heralded Pia Zadora as newcomer of the year for her performance in the flop "Butterfly." It was later revealed that Zadora's producer (and husband) Melvin Frank had flown the group to Las Vegas before the vote for a few days of non-moviewing.

As for the "Scent of a Woman" trip in early December, reports of the number of association members who went to New York range from 30 to far more. As for who picked up the tab, Van Blaricom said, "It depends on what our editors wanted us to do."

Wherever their editors are, though, they are undoubtedly aware that the members of the Hollywood Foreign Press Association put on a terrific awards show. Virtually every major star in town appears partly because it's common knowledge that a star won't win an award unless he or she guarantees an appearance at the dinner.



Madonna: "In decline."
Rolling Stones: "Way too old."
Michael Jackson: "Out of touch."

Who's Hot in Pop? The Unofficial Top 10

By Robert Hilburn
 Los Angeles Times Service

LOS ANGELES — Who's the hottest property in the record business? That's not an easy question, but with conglomerate betting billions of dollars on it, the Los Angeles Times set out to conduct some independent research.

The first thing we did was to declare everyone — from Michael Jackson to Pearl Jam — a free agent. Then we called 25 movers and shakers in the music business and asked: What acts would you sign?

The issue wasn't favorite artists, but the ones that are likeliest to sell the most records through the remainder of the '90s.

So how did Michael Jackson, Madonna and the other big-money players fare?

Stockholders of Sony, Time Warner and PolyGram aren't going to be pleased to hear how industry insiders described some of their multimillion-dollar acquisitions:

- "In decline" (Madonna)
- "Out of touch" (Michael Jackson)
- "A manifestation of production" (Janet Jackson)
- "Looks a little lost to me" (Prince)
- "Too old" (Aerosmith)

"Way too old" (the Rolling Stones)

None of those acts finished in the Top 10 in the poll to determine the pop world's hottest properties and three didn't finish in the Top 20.

About Madonna, one panelist said: "She is probably the marketing genius of all time, but I think she outgenuined herself this time around with the book, the movie and the album. There's really a backlash."

REGARDING Michael Jackson, the biggest pop star of the '80s, another panelist said: "Image-wise he has played himself out, and musically he really isn't keeping up with what is happening to kids today. I think he is gone, over, finished."

So who was the big winner? Rock 'n' roll.

Despite all the talk about rock's losing its commercial edge as the baby boomers turn to country and easy-listening alternatives, rock acts captured six of the first 10 positions in the poll, including the top four spots.

The top choice: U2, by a margin of almost 2 to 1. With 10 points for every first place mention, nine for every second and so forth, the Irish rock group generated a whopping 165 points. R.E.M. finished second

with 93 points, followed by Pearl Jam (82) and Metallica (81).

"I think the next six or seven years in this country are going to be very politically polarized," a panelist said. "I don't see Bill Clinton able to usher in some great new consensus era of good feeling."

"That means there is going to be increasing conflict between the haves and the have-nots," he said.

"And I think bands like U2, R.E.M., Pearl Jam and Metallica have a pretty good sense of the times they live in." He added, they have the ability to "maybe even to ask more of people and try to bring people together."

To encourage frankness, panelists — drawn from Los Angeles, Nashville and New York — were told that their names wouldn't be attached to either their choices or the comments about the various acts.

Seventy-nine acts, ranging from veterans like Jimmy Buffet to newcomers like Mary J. Blige, received at least one vote.

In a similar poll seven years ago, another panel declared these 10 acts, in order, to be the industry's hottest properties: Bruce Springsteen, Prince, Michael Jackson, Lionel Richie, U2, Bryan Adams, Talking Heads, Sting, Eurythmics and Stevie Wonder.

Not bad. Everyone in the Top 5 sold at least 5 million albums in the United States, with U2 and Michael Jackson topping the 10-million mark, according to the Recording Industry Association of America.

But there were some goals. Two of the Top 10 — Talking Heads and Eurythmics — broke up before making it out of the '80s.

One sign of U2's dominance in the poll is that only six of the 25 panelists left the band off their lists of the 10 hottest properties and two said they passed on U2 only because the band was simply too obvious a choice.

The most anti-U2 comment, in fact, had more to do with personal taste than sales prediction. "They're obviously a world-class act, but I've never been a fan," a

panelist said, dismissing the group's idealistic, spiritually tinged image as "too politically correct for me."

Like U2, R.E.M., the Georgia band whose guitar-ringing folk-rock largely shaped college-rock radio for much of the '80s, is deeply respected. The words integrity, taste and quality were frequently cited by panelists.

And the gap between the two bands may be less than suggested by the poll results. More than half of the panelists who didn't include R.E.M. on their list of 10-hottest properties said the band would have been on a list of 15.

"My guess is they have 15 years ahead of them and possibly solo records. It's a real franchise act," said a panelist.

Pearl Jam, the Seattle band, has come a long way with one album, a commercial blockbuster that has been on the U.S. sales charts for more than a year. Though not as critically acclaimed as U2, R.E.M. or even fellow Washington alternative rockers Nirvana, Pearl Jam has a charismatic lead singer in Eddie Vedder.

"Whatever happens to Pearl Jam, this guy is going to be an immense star," one of the judges said.

Fourth-place Metallica, described as The Grateful Dead of heavy metal by one panelist, still elicits loyalty and sense of community among its hard-core followers. "Every 14-year-old kid who wears a black T-shirt buys a Metallica record, and they always will," one said.

These top four were followed by Garth Brooks, the highest-ranking nonrock act on the list, which sold an estimated \$231 million in records last year; Whitney Houston, viewed by some as the pre-eminent female pop singer of the '90s; Guns N' Roses, described by supporters and detractors alike as having "volatility"; Boyz II Men, a young R&B group; Arrested Development, a remarkable showing for a rap group; and Nine Inch Nails, the darling of industrial rock.

LONDON THEATER

A Duras Revival Remains Leaden, But Even Longer

By Sheridan Morley
 International Herald Tribune

LONDON — First seen here and in Paris 20 years ago as a one-act play, Marguerite Duras' "La Musica" (at the Hampstead) has been extended but not really expanded. It now runs to an interminable 80 minutes instead of merely an over-long 50, and still concerns the architect and his nearly divorced wife meeting in a hotel lobby to finalize the details of their decree and rake over the embers of a passion that is dead but won't lie down.

Joseph Blatchley has carefully orchestrated the correct period setting: One expects Anouk Aimée and Jean-Paul Trintignant and a score by Francis Lai. Instead, they get the infinitely British Harriet Walter and Larry Lamb. There is a terrible lack of humor here which makes it obvious why the hotel appears so empty, guests having presumably fled to escape this appalling couple with yet more minute details of how their relationship crumbled.

Were Duras to have set the couple up as rotten — as precisely the sort of people you most dread being trapped by on a Continental holiday — the play might have some purpose or depth. As it is, one becomes horribly aware that she actually wants us to sympathize with them rather than just urge them on to the nearest divorce court.

AT Stratford East's Theatre Royal, Paul Sirett's "Worlds Apart" is a moralistic comedy in the fine old tradition of Joan Littlewood at that address. It takes place in the course of one day at the Heathrow Airport Immigration Center, where we are treated to several case-histories of despair, corruption and personal crisis, and that's just among the staff.

The immigrants themselves are a mixed bunch of detainees, for the most part victims of a system of inefficiency and ill-will that leaves all of them stranded in a no-man's-land time-warp, as if they were travelers from outer space.

Beneath a riot of farcical subplots, Sirett's message is troubling enough; that immigrants, in the eyes of British officialdom, are precisely the kind of people who wish to immigrate and should therefore be discouraged from doing so at every possible opportunity. Indeed, the book would be thrown at lost somewhere in the office. Jeff Tare's production is a fine example of how to tell half-a-dozen different stories on a single split-level stage without getting the cast lost in any one of them.

On the cabaret front, the

"Pizza on the Park" in Knightsbridge is continuing a superb winter season of legendary Broadway singers; Margaret Whiting ended a sell-out season on Saturday, is followed in this week by Karen Akers and, in a fortnight, by Marti Stevens making her London cabaret debut 20 years or so after she was last seen here as the star of Sondheim's "Company" and Coward's "High Spirits."

To hail a new West End musical by proclaiming that it is not a fiasco might seem to be damning by praise so faint as to be invisible, but at a time when most of my colleagues are lamentably failing to do so, it seems to me that distinctions have to be drawn even among dross. Musical fiascos are shows like "Which Witch" high above glacier level in the realms of Norwegian camp, or "The Band" which was financed by the Japanese, arguably the worst thing they had done since Paul Harbor, in which one of the chorus girls, told to improve during a battle scene, memorably announced in my hearing, that "These Crusades are spreading like wildfire."

By such immortal standards, "Robin, Prince of Sherwood" (at the Piccadilly) is not a fiasco at all: instead, it's an imperially leftover 1959 Palladium Patrimoine. Why Bill Kenwright, a director and producer, has seen fit to revive the tradition in early February 1993 remains unclear, unless he has some mystical arrangement with the theater owners whereby if he keeps the premises warm a better score will be along in a minute.

THIS one is not so much over-constructed as over-synthesized, but compares very favorably indeed with the last musical venture into Sherwood Forest which was, as I recall, Lionel Barry's catastrophic "Twang" about 30 years ago.

This is in no way "Twang 2"; it has an amiable if unconvincing company, most of them considerably younger than those Kevin Costner recently managed to round up for a lurid Hollywood camp a couple of years back. The whole show is a kind of perpetual finale, designed for the very dim.

"Here's Richard," the chorus shouts as the lion-hearted king roars back from the Crusades, whereupon, in case you missed the point, his first line is: "Tim Richard."

Behind him the company is forever lining up for their team photograph, but the dialogue has a kind of surreal charm. Can I really have heard such lines as "Morgana, get a move on" or "Buy a leg of lamb, give yourself a treat," and if so, who on earth says that?

All in all a collector's evening, and not to be missed.

Babel's 'Marie,' Recasting a Russia at War

By Thomas Quinn Curtiss
 International Herald Tribune

PARIS — Isak Babel, the Russian author who rose to enormous popularity in the 1920s, is being commemorated with a production of his play, "Marie," at the Théâtre de Gennevilliers.

Born of Jewish parents in Odessa in 1894, he knew intimately the

teeming underworld of the city and drew his bandits, smugglers, thieves and gangster overlords as comic caricatures. These sketches came to the attention of Maxim Gorky who published them and befriended the novice writer.

While Gorky lived, Babel was protected from the Communist authorities. But not long after Gorky's death, he was arrested and died in a prison camp in Siberia.

His play, "Marie," was prepared

for the Moscow Art theater in 1932 and then banned. It takes place in Petrograd in 1920 during the civil war and recounts the story of a noble family in distress. The father, a former general of the imperial army, is writing a study of the Russian Revolution sympathetic to the Communist government. His younger daughter, Marie, has joined the Red Army and is at the front. Marie remains absent, but her letters home reveal her as the most dominating character of the story, one whose words point to the future of Russia.

The text is loosely knit, a collection of fragments and short sketches that Bernard Sobel, an alert and

inventive director, has sought to unify. It is an acceptable performance.

Jean-Claude Brisville is an outstanding French dramatist who has provided wit, wisdom and sardonic satire in his version of Tallet-rand and Fouché plotting the future of France in "Le Souper." His latest play, "Contre-jour," has just opened at the Studio des Champs-Élysées and may battle some of its spectators.

It tells of a novelist, who meets the woman of his dreams. He is at a loss for words to describe her. So he immortalizes her beauty, he decides to photograph her, taking her picture so frequently that she blinks at his noisome camera. To sustain interest in this repetitive situation we learn that a maidman is loose in the forest nearby.

Didier Sandre as the novelist who has been unloved, Nelly Alard as his innamorata and Jacques Buron as the gruff watchman of the woods do what they can to bring to life the monotonous story.

In a lighter mood and more amusing is the revival at the Palais-Royal of Sacha Guitry's comedy "Une Folie," in which an aloof and distinguished psychiatrist is humiliated by a wife who wants her husband to be declared insane while he demands that she be ordered as non compos mentis.

Classified Valentine Message Contest

Every year on February 14th, more and more people use the Trib's classified section to send a greeting to the Valentine of their choice and some of them get pretty creative.

This inspired us to have some fun with our readers by launching a contest for the most original classified Valentine. Here's how it works.

Print your classified message on the form below—minimum 3 lines—and mail it to your nearest IHT office together with your remittance or your credit card reference. Your ad will run on

Valentine's day (Saturday-Sunday, February 13-14th) and that evening the jury will meet to select the winners. The results will be published in the IHT's edition of Saturday-Sunday, February 20-21st.

So have some fun with us, wherever you may be. Get your creative juices flowing and send in your entry today.

First Prize	\$600 cash
Second Prize	\$300 cash
Third Prize	\$120 cash

Herald Tribune

PARIS: 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (33-1) 46 37 93 85. Fax: 46 37 93 70. 10-2-93

Please run my Valentine message in the IHT on Saturday-Sunday, February 13-14, 1993

My check is enclosed Please charge my credit card account:

Cost:	3 lines	4 lines	5 lines
U.S.\$	60.00	80.00	100.00

Visa MasterCard Access Eurocard Amex Diners

Card account number _____
 Card expiry date _____ Signature _____
 Name _____
 Address _____
 City/Country _____
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First line of text takes a maximum of 25 letters, symbols or spaces; all other lines up to 30. No abbreviations. Minimum space accepted: three lines.

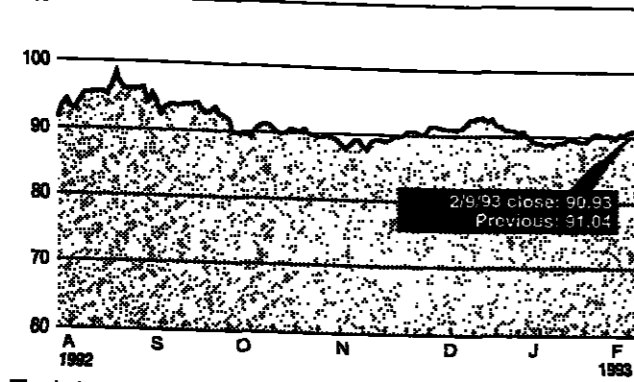
FIRST LINE OF TEXT: _____

سكان الاصغر

THEATER
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THE TRIB INDEX: 90.93

International Herald Tribune World Stock Index of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar value of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev. close	Change
Asia/Pacific	25%	86.06	85.14	+0.92
Europe	40%	90.68	91.40	-0.72
N. America	35%	98.34	96.68	+1.66

Industrial Sectors	Tot. close	Prev. close	% change
Energy	94.82	94.89	-0.07
Utilities	88.04	87.78	+0.26
Finance	85.48	85.19	+0.29
Services	103.48	104.01	-0.51
Capital Goods	91.13	91.06	+0.06
Raw Materials	93.84	93.70	+0.15
Consumer Goods	86.89	87.44	-0.51
Miscellaneous	93.80	95.07	-1.34

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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MEDIA MARKETS

A Complex Deal Provides Clues to Value of BSkyB

LONDON — Reed International PLC's sale of its 3.66 percent indirect holding in BSkyB for \$62.3 million (\$90 million) is sending conflicting signals about the value of the British-based satellite television network, analysts say.

"It's in the low end of the range of valuations," said one, Richard Dale of Smith New Court.

He said that the Reed announcement put a nominal \$1.7 billion price tag on BSkyB, but added that the actual valuation could be as low as \$1.4 billion. This, he said, is due to the fact that only about \$12 million of the price is to be paid now, with the rest deferred.

Reed said three fellow shareholders — Pearson PLC, Chagners SA and Granada Group PLC — had agreed to buy its interest and to become guarantors of \$125 million of BSkyB debt guaranteed by Reed. Reed said the purchasers would make an immediate payment of \$12.3 million, and pay the balance "as and when they receive equivalent amounts from BSkyB."

The direct Reed interest is in BSB, the shell of the company that merged with Rupert Murdoch's Sky Television to form BSkyB. In the deal, Pearson and Chagners will raise their stakes in BSB to 17.5 percent and Granada to 13.5 percent. BSB holds 17.5 percent of BSkyB, and Mr. Murdoch's News Corp. International has 50 percent.

Louise Barton, an analyst with Henderson Crosswhite, said that a valuation of BSkyB could not be derived from Reed's stake price. But said she was not surprised by the \$62.3 million price.

Neil Barton of Merrill Lynch said he thought it was a "reasonable price," adding that the "interesting thing" was how to value the bank guarantees. Reed, he said, had extracted himself from a situation where it had the risk of the bank guarantees "and none of the rewards."

Reed's chairman, Peter Davis, said that after Reed's decision in May 1991 not to make a further investment in BSkyB, its cash investment was fully provided for in its accounts at a net cost of \$54 million after tax relief.

BSkyB may not look so attractive to Reed, but it does to News Corp., according to that company's six-month profit statement Tuesday. (Page 17) The company said BSkyB, turning around from a dismal performance a year earlier, had generated weekly revenue of \$5.6 million in the period.

(Reuters, Bloomberg, APX)

CURRENCY & INTEREST RATES

Cross Rates	Jan. 9	Feb. 9	Change
Amsterdam	1.38	1.38	0.00
Brussels	34.125	34.125	0.00
Frankfurt	1.487	1.487	0.00
London (C)	1.671	1.671	0.00
Munich	122.90	122.90	0.00
Paris	1.382	1.382	0.00
Stockholm	1.02	1.02	0.00
Switzerland	1.48	1.48	0.00
Madrid	166.0	166.0	0.00
Osaka	1.35	1.35	0.00
Tokyo	1.35	1.35	0.00
Yokohama	1.35	1.35	0.00
Zurich	1.38	1.38	0.00
1 ECU	1.78	1.78	0.00
1 SDR	1.28	1.28	0.00

U.S. Automakers Hold Fire on Trade

WASHINGTON — U.S. automakers decided Tuesday against filing a multibillion-dollar complaint charging Japanese manufacturers with dumping cars at prices below market value, saying they were encouraged by President Bill Clinton's plan to address the U.S. trade imbalance with Japan.

The chief executives of Ford Motor Co., General Motors Corp. and Chrysler Corp. decided in a telephone conference that they wanted to "give the Clinton administration the opportunity to develop its position on trade and jobs."

The U.S. carmakers said they will give the Clinton administration access to the information they have accumulated and will continue to monitor Japanese pricing.

An anti-dumping complaint could have brought import duties on all Japanese imports excluding trucks, a market the U.S. automakers value at \$45 billion.

To win a dumping case, the automakers would have had to persuade the Commerce Department that foreign makers were selling cars for less than fair market price in the United States. They also would have had to convince the U.S. International Trade Commission that the dumping had injured the domestic auto industry.

"In my opinion, the Japanese aren't dumping cars in the U.S.," said Ronald Glantz, an analyst with Dean Witter. Mr. Glantz said that some of Japanese automakers are actually charging premiums to discourage dumping charges.

At a preview for the Chicago Auto Show last Friday, GM President John Smith hinted that the Big Three were balking at filing a complaint. He said GM was concerned that the charges could be interpreted as an admission by Detroit automakers that they still lag the Japanese in quality and productivity.

Detroit's Big Three have called on the U.S. government to reduce Japan's trade surplus by 20 percent a year over the next five years. The automotive portion of the U.S.-Japan trade imbalance has remained at about \$33 billion a year since 1986.

The Big Three also are trying to persuade the administration to reclassify all imported sport-utility vehicles as trucks, subjecting them to a 25 percent tariff instead of 2.5 percent. (AP, Bloomberg)

GM Is Ordered to Keep Plant Open

A judge in Ann Arbor, Michigan, ordered GM on Tuesday to keep its Willow Run assembly plant open, halting the automaker's plans to move operations to Texas. The Associated Press reported.

GM had planned to close the plant west of Detroit, with the loss of 4,000 jobs, as part of its companywide effort to slash its multibillion-dollar losses by cutting unprofitable operations.

Lawyers said GM would appeal. They had argued that forcing it to keep the plant open would cost the automaker \$300 million a year.

NBC Burned on GM Story

NEW YORK — NBC News has acknowledged using incendiary devices in a test crash designed to show that some General Motors Corp. pickup trucks are prone to catch fire.

But the network said a spark from a broken headlight actually caused the blaze.

The network, owned by General Electric Co., on Monday was sued by GM over a report on the alleged dangers created by the gasoline tanks on some GM pickups made in the 1970s and 1980s.

"The 11 million households that viewed the program were never told that NBC used incendiary devices to try and ensure that a fire would erupt, seemingly due to the collision," said Harry Pearce, GM executive vice president.

NBC acknowledged on its "Nightly News" Monday that it rigged two crashes for a Nov. 17 segment of its "Dateline NBC" program with model rocket engines and didn't disclose the fact to viewers.

Last week, an Atlanta jury found GM negligent in the design of the gas tanks. The jury awarded \$105.2 million to the parents of a teenager killed when his truck crashed and exploded in 1989. GM is appealing.

G-7 Focuses on World Economy

Yen Soars as U.S. and EC Press Case on Japanese Surplus

WASHINGTON — Treasury Secretary Lloyd Bentsen will hold separate talks late this week with Finance Minister Teo Waigel of Germany and Finance Minister Yoshio Hayashi of Japan, spokesmen said Tuesday, while the British Treasury called a meeting of all the finance ministers and central bankers of the Group of Seven for informal talks Feb. 27.

The activity comes amid signs that the United States and the European Community want a sharply stronger yen to help curb Japan's trade surplus. The yen jumped on world currency markets Tuesday, rising to finish at 121.18 to the dollar in New York trading, after 123.80 on Monday.

At his talks with Mr. Bentsen, the first between the pair as their countries' top finance officials, Mr. Hayashi said, "Naturally, the issue of the trade surplus will emerge."

He added, "It's a big issue." Japan's surplus with the United States rose 14 percent to more than \$43 billion last year. Mr. Hayashi said he would use the meeting to "explain that Japan is taking various measures to expand domestic demand," such as the recent cut in the discount rate and the government's expansionary budget for this year.

The British Treasury said Normal Lamont, chancellor of the Exchequer, had extended an invitation to the G-7 nations to engage in a "wide-ranging, informal, review of the world economic scene."

The Treasury said Mr. Lamont did not expect any particular decisions or initiatives to emerge from the meeting and added that there would be no formal communiqué.

Several G-7 finance ministers have been pressing for a meeting to consider such issues as growth, aid to the former Soviet Union, ex-

change rates and the world talks being held under the General Agreement on Tariffs and Trade.

Michel Sapin, the French finance minister, said in Paris that he hoped the ministerial session would be followed in April by a summit meeting of G-7 heads of state and government. The group comprises the United States, Japan, Germany, Britain, France, Canada and Italy, and is scheduled to hold its annual summit in Tokyo this summer.

"I think they have a lot to say to each other," Mr. Sapin said, "particularly as they must realize that in the midst of economic crisis."

On another issue, Mr. Sapin cautioned against impatience for lower French interest rates in the wake of last week's Bundesbank rate cuts. He said the cuts showed that the

See G-7, Page 12

Leaner, Meaner Japan Inc. Put on the Drawing Board

By Steven Brill
International Herald Tribune

TOKYO — Last fall, Akio Tanii, president of Matsushita Electric Industrial Co., asked managers of the world's biggest consumer electronics company to figure out how to maintain profitability without continued growth in sales.

Executives started pondering the answers, perhaps not realizing that Mr. Tanii's question itself implied a rethink of Japanese capitalism.

Companies that rode the profit wave of the 1980s now find themselves fighting to find a new approach, economists and government officials say, or risk sharp declines in international competitiveness in the 1990s.

Matsushita and other high-volume manufacturers are busy trimming staffs and thinning product lines, restructuring operations to cope with the global recession and the financial implosion in Japan.

While domestic economic recovery is taking longer than most expected, there is little doubt that when it does come — perhaps later this year or early next — Japanese companies will be leaner and meaner.

And there is growing evidence that there will not be a return to business-as-usual. Government officials concede that average annual growth over the next five years will be closer to 2.5 percent than the target of 3.5 percent.

To be sure, many Japanese companies remain fierce competitors, and the nation as a whole continues to invest more than the United States on a per capita basis. Moreover, even as the financial positions of companies have been weakened by the fall in asset values, the balance sheet of corporate Japan is relatively strong.

said Geoffrey Barker, economist at Baring Securities.

The strength of companies is sharply polarized, however, with big concerns remaining rich and enjoying good access to global capital while smaller companies enjoy neither of these advantages. The recession will shake out the weaker, smaller competitors, leaving the bigger companies more dominant, Mr. Barker said.

But such giant firms as Matsushita and Nissan Motor Corp. may be slow to adapt, while companies in the highly inefficient financial and distribution sectors will face deeper challenges. Best positioned will be concerns providing unique, knowledge-intensive products, such as Nintendo Co., the video game maker that is Japan's most profitable electronics company.

Among the most difficult challenges will be adjustment to the end of an era of ever-expanding markets for manufactured goods at home and abroad. The ability to revive exports was the key to recovery in the most recent downturns. Now, however, a surge in exports to the West is politically untenable, and the domestic market remains saturated.

Meanwhile, companies will have to continue expanding their ratio of overseas production, which remains less than half that of U.S. companies. Southeast Asia, which has become the largest and most rapidly growing market for Japan, may be the economy's biggest support, offering an expanding export market and serving as an offshore base for cheap manufacturing.

The domestic market, which traditionally provided high margins used to subsidize moves

See JAPAN, Page 13

Tokyo Extends Guiding Hand To Companies

By Paul Blustein
Washington Post Service

TOKYO — Worried about the long recession, the Japanese government has begun resorting to "guiding" companies away from behavior that might deepen the slump.

On Tuesday, the Labor Ministry urged corporations to keep as many employees as possible on their payrolls. At a meeting with business executives, ministry officials warned against practices such as targeting certain workers for "retirement" and canceling employment agreements with new college graduates.

The move, the first of its kind since 1975, came in response to mounting signs of strain in Japan's vaunted lifetime employment system. Fears among Japanese workers that they might lose their supposedly secure jobs has contributed to a downturn in consumer confidence.

The Labor Ministry's initiative came a day after the Finance Ministry told banks it wanted them to make more loans to small and medium-sized businesses, and at lower interest rates.

The government actions should influence company and bank behavior at least to some extent, analysts said. They added that the authorities' overt intervention in the market reflected the depth of concern about the economy's continued weakness.

"There has been a serious acceptance by the government within the past couple of months that there's a real risk of the bottom falling out of the economy," said Mineko Sasaki-Smith, economist at Credit Suisse Japan.

Sears Has Record Loss Of \$3.9 Billion in 1992

CHICAGO — Sears, Roebuck & Co. reported on Tuesday a \$1.8 billion loss for the fourth quarter of 1992 and a \$3.9 billion loss for the year, the worst in its history.

The fourth-quarter results included a previously announced \$1.7 billion charge for restructuring the Sears Merchandise Group, a process that included killing the venerable Sears catalog and closing 113 stores.

The loss for 1992 compared with net income of \$1.3 billion in 1991. Sears also increased by \$300 million its estimate of claims paid by its Allstate Insurance Group for damages caused by Hurricane Andrew, bringing the total to \$1.65 billion.

Last year was the most difficult in the company's 106-year-old history, Chairman Edward Brennan said in a statement.

"However, it was a pivotal year as well," he said. "We embarked upon a new corporate strategy that focuses on our core businesses of retail and insurance as we diversify some of our financial services units."

The announcement produced

barely a ripple in the stock, which slipped 12.5 cents to \$49.375. The company's loss of \$10.72 a share met Wall Street's estimates, which mostly ranged between \$10 and \$11 a share.

"With all due respect to Mr. Brennan, I think that every year for the past 12 or 14 years, he has said it's a pivotal year," said Kurt Bernard, a consultant and president of the Bernard's Retail Marketing Report newsletter.

Edward Weller, analyst with Montgomery Securities, said that "the real issue here is will they go forward with businesses they haven't written off."

Sears' fourth-quarter results also were affected by a \$1.9 billion charge related to the adoption of new accounting methods.

Including certain one-time items, Sears had a net loss of \$1.8 billion for the last three months of 1992, compared with net income of \$513.1 million for the same period a year ago.

Revenue for the fourth quarter rose 5 percent to \$16.8 billion. Revenue for all of 1992 rose 3.2 percent to \$59.1 billion.

(AP, Reuters)

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Sources: Reuters.

MARKET DIARY

Waiting on Clinton Sends Stocks Lower

NEW YORK — Concern about President Bill Clinton's impending economic package and profit-taking drove stock prices lower Tuesday for a second straight day.

The Dow Jones industrial average fell 22.96 points to 3,414.58. Broader market averages also fell, with the Standard & Poor's 500

N.Y. Stocks index slipping 2.52 to 445.33, and the Nasdaq Composite index losing 6.21 to 692.23.

Declining stocks topped advanced by a margin of 11 to 5 on the New York Stock Exchange. Volume amounted to 235 million shares, about the same as Monday. "Everybody's waiting until the president's economic address next week," said Cardullo of Eagle Asset Management.

Mr. Clinton is to present his economic plan to Congress on Feb. 17. Published reports said the administration was leaning toward increasing the top corporate tax rate from 34 percent to 36 percent.

The Treasury auction of \$15.5 billion of three-year notes went well, but Treasury yields rose later, putting a damper on stocks, on a Johnson Reebook report that store sales rose 3.7 percent in early February.

Goodyear Tire & Rubber dropped 1% to 70 1/4 after it said fourth-quarter earnings fell to \$1.22 a share from \$1.65 a year ago. Walt Disney Co. fell 1/4 to 46 1/4. An Oppenheimer & Co. analyst removed her "buy" recommendation because of the stock's high price.

Intel Corp. jumped 4% to 110 1/4 after a Merrill Lynch analyst raised his earnings estimates. Amgen Inc. rose 3/4 to 52 1/4 as it marked a recovery after plunging last week on its fourth-quarter earnings report. The results showed slower sales growth for the company's two flagship drugs.

International Business Machines Corp. rose 1/4 to 53 1/4. The stock got a boost from a New York Times article saying U.S. corporate demand for mainframe computing power would rise 20 percent in 1993.

G-7: New Focus on World Economy

(Continued from first finance page) direction of rates in Europe was downward.

In Japan, the Nihon Keizai Shimbun reported that the European Parliament planned to ask Japan for a major appreciation of the yen to offset its burgeoning trade surplus with the European Community. The report kicked off a drop in the dollar during afternoon trading in Tokyo.

Meanwhile, a former Treasury official under President Jimmy Carter was quoted as telling a seminar in Kyoto that the yen should be allowed to appreciate by as much as 20 percent against the dollar, to between 100 and 110.

C. Fred Bergsten, director of the Institute for International Economics and former assistant Treasury secretary for international affairs, reportedly said that such an increase would allow the United

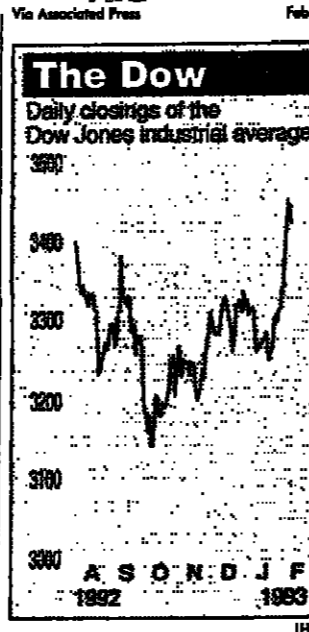
States to cut its trade surplus with Japan by as much as \$25 billion. "Tokyo may have reacted a little strongly to Bergsten's comments, thinking he spoke for the administration," said Dennis Pettit, manager of foreign exchange at the Long Term Credit Bank of Japan.

A stronger yen would make Japanese exports more expensive, and could curb its trade surplus. In New York trading, dollar-Dutch mark trading was overshadowed by the yen. The U.S. unit eased to 1.6338 DM, after 1.6370 Monday.

The British pound continued to suffer, falling to \$1.4305 from \$1.4390.

The dollar also dipped to 1.5320 Swiss francs, from 1.5360, and to 5.6012 French francs, after 5.6060.

Trading in London was dominated by strong yen advances on both the dollar and the mark. (Reuters, Knight-Ridder, AFP, AFX, Bloomberg)



Dow Jones Averages table with columns for Open, High, Low, Last, and Change. Includes indices for Industrials, Transp., Utilities, and Finance.

Standard & Poor's Indexes table with columns for High, Low, Close, and Change. Includes indices for Industrials, Transp., Utilities, and Finance.

NYSE Indexes table with columns for High, Low, Close, and Change. Includes Composite, Industrials, Transp., Utilities, and Finance.

NASDAQ Indexes table with columns for High, Low, Close, and Change. Includes Composite, Industrials, Transp., Utilities, and Finance.

NYSE Most Actives table listing top trading stocks with columns for Volume, High, Low, Last, and Change.

AMEX Stock Index table with columns for High, Low, Close, and Change. Includes Composite, Industrials, Transp., Utilities, and Finance.

Dow Jones Bond Averages table with columns for Open, High, Low, Last, and Change. Includes 20 Bonds, 10 Utilities, and 10 Industrials.

Market Sales table showing volume and change for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading table listing various stock symbols and their trading activity.

For investment information read THE MONEY REPORT every Saturday in the IHT

EUROPEAN FUTURES

Table of European Futures contracts including Food, Metals, and Energy.

Table of European Futures contracts including Metals and Energy.

Table of European Futures contracts including Metals and Energy.

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U.S. FUTURES

Table of U.S. Futures contracts including Grains, Metals, and Energy.

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Group Bids \$1.3 Billion For Canadian Store Chain

MONTREAL (Bloomberg) — An investor group led by Blackstone Capital Partners LP has made a takeover bid worth 1.6 billion Canadian dollars (\$1.26 billion) for Univa Inc., the Canadian food distributor and retailer said Tuesday.

The offer is \$11 dollars a share. The stock shot up 30 percent, or 2.375 dollars, to 10.375 on the Toronto Stock Exchange.

Other than Blackstone, a New York investment bank, the investor group includes Unigesco Inc., a Montreal-based distributor of food, hardware and renovation products that owns 26 percent of Univa.

Empire Co., a Nova Scotia supermarket operator, owns another 25 percent. Empire has yet to announce its position on the transaction. Unigesco will hold a 20 percent stake in Univa after the transaction. Blackstone will hold 80 percent, which it will eventually resell.

Herman's Sporting Goods Finds Buyer

LONDON (Bloomberg) — Isoceles PLC said Tuesday that it had agreed to sell its U.S.-based Herman's World of Sporting Goods chain of 259 stores to a group of American investors for an undisclosed price.

Isoceles had tried for months to sell the retail chain, which analysts estimated would go for between \$70 million to \$120 million. Herman's was worth \$400 million in 1989 when Isoceles acquired it in a leveraged buyout of Gateway Corp.

The investor group is led by the turnaround specialist Taggart/Fasola Group and includes the New York-based merchant bankers Whitman Heffernan Rhein & Co. Inc. and Carl Marks Strategic Investments LP.

Retail Star to Head Carter Hawley

LOS ANGELES (AP) — David Workin, a former president of Neiman Marcus and of Bonwit Teller who most recently helped turn around the London-based Storehouse PLC, was appointed president and chief executive of Carter Hawley Hale Stores on Tuesday.

The Zell-Chalkmark Fund bought most of Carter Hawley's unsecured debt in return for 75 percent of its common stock last year, hastening the department store operator's exit from bankruptcy proceedings.

Whirlpool's Earnings Shoot Higher

BENTON HARBOR, Michigan (Reuters) — Whirlpool Corp.'s earnings for the fourth quarter of 1992 jumped 55 percent to \$62 million on sales of \$1.8 billion, the appliance maker said Tuesday.

This came to 82 cents a share on a fully diluted basis, above analysts' estimates of 75 cents a share.

Goodyear Operating Results Improve

AKRON, Ohio (UPI) — Goodyear Tire & Rubber Co. Tuesday said its fourth-quarter income, including a one-time accounting charge, fell 1.7 percent to \$87.5 million. Sales rose 5.3 percent to \$2.9 billion.

"We are extremely pleased with our sales performance and higher operating results in a difficult global economy," Chairman Stanley Gault said.

For the Record

Southwestern Bell Corp. will buy two cable TV systems serving the suburbs of Washington, D.C., from Hauser Communications Inc. for \$650 million.

Next Computer Inc., the company headed by Apple Inc.'s co-founder Steven Jobs, may sell its workstation business to Canon Inc. and focus on its software business, according to published reports.

Coca-Cola Co. signed an agreement that could lead to bottling in Vietnam with Vinalimex, a government-run food company, and Chang Duong Beverage Factory, a former Coca-Cola bottler.

Ford Motor Co. is expected to launch a rebate credit card with Citicorp on Thursday.

Inflation Data Send U.K. Stocks Sharply Lower

LONDON — British stocks closed sharply lower Tuesday amid concern over the weakness of the pound and fears that inflation may be set for a rise, traders said.

The Financial Times-Stock Exchange 100 Index, which finished at a record high of 2,873.8 last Wednesday, closed 38.7 points lower at 2,831.30. The FT-30 index ending 32.1 points lower at 1,940.00.

"Investors are uneasy about a possible conflict between sterling and lower interest rates," said Edmund Warner, strategist at Baring Securities.

The pound closed at 2.3673 Deutsche marks, compared with 2.3813 Monday, and at \$1.4330, after \$1.4380. Sterling stood at 2.5400 DM in mid-January.

British producer input and output prices for January fueled concern over the inflationary effect of sterling's departure from the European exchange-rate mechanism in mid-September.

Unadjusted producer output prices rose a provisional 0.8 percent in January from December, while seasonally adjusted prices of inputs, or raw materials, were 1.5 percent higher.

The output price index rose 3.5 percent in the year through January and the input index was up 7.2 percent, the biggest rise since May 1989.

Andrew Bell of Barclays de Zoete Wedd said the devaluation of the pound was "bound to show through" in the price figures. But the "acid test," he said, would be the extent to which input-price rises were passed on to output prices.

WORLD STOCK MARKETS

Large table of world stock market data including indices for Amsterdam, Helsinki, Paris, Sydney, Tokyo, Johannesburg, London, Frankfurt, Milan, Singapore, Stockholm, Zurich, and others. Columns include Class, Prev., High, Low, Last, and Change.

U.S. FUTURES

Table of U.S. futures market data including Grains, Metals, Energy, and Financial. Columns include Contract, Open, High, Low, Last, and Change.

U.S. / AT THE CLOSE

Year Starts Slowly For France's Total

Compiled by Our Staff From Dispatches

PARIS — Total SA, one of France's two big oil companies, said Tuesday that after a 52 percent slump in profit in 1992, this year was starting out poorly, too, as a result of depressed demand for refined products.

The fall in Total's attributable net earnings, to 2.8 billion francs (\$499 million), was a little steeper than the 47 percent drop that its chairman, Serge Tchurru, had predicted in December.

Total blamed the slide chiefly on weak refining margins, or the amount the company clears on each barrel of crude processed.

Margins dropped to an average of \$2.10 a barrel from \$4.10 in 1991, when they were inflated by the Gulf War. Worse, according to Pascal Riepis, oil analyst at EIFR, margins in recent weeks have been cut by a spike in crude prices and have slipped under \$2, a level below which Total says it loses money.

"We suffered the full effects of the decline in refining margins in 1992," said Yves René Nanot, director for refining and marketing. "We faced a classic imbalance of supply and demand, and a collapse of prices," he said, as economies stagnated, especially in Europe. "This year doesn't look like it's starting much better."

"Now that winter is over and economies remain weak, it's difficult to see an upturn before the autumn of 1993," Mr. Riepis said of refining margins, which also hurt the profit of Elf Aquitaine, France's other oil major.

The bleak outlook caused Total's stock to fall 3.30 francs to close at 236 francs a share on the Paris Bourse.

The company estimated that revenue for 1992 was 137 billion francs, down from 143.02 billion. Operating profit slid 30 percent to 7.2 billion francs. Within that figure, income of the exploration and production business was unchanged at 2.9 billion francs, Total said.

In addition to those problems, Total said the price of crude had been eroded for most of the year, and dollar weakness had hurt its results when translated into francs.

Although crude prices have firmed in recent weeks, they could weaken again if OPEC ministers fail to agree on significant production cuts at their meeting Feb. 13.

Total has budgeted for the dollar at 5.50 francs and for oil at 104.5 francs a barrel, around \$19, said Alain Madec, Total's chief financial officer. Early Tuesday, Brent crude was at \$18.30 and the dollar at 5.61 francs. (Reuters, Bloomberg)

AXA Launches New Bonds

Equitable Life Set to Get Another Injection

Compiled by Our Staff From Dispatches

PARIS — Groupe AXA, the French insurer, said Tuesday it was raising 3.65 billion francs (\$653 million) — equal to about 10 percent of its market capitalization — through an issue of convertible bonds to finance foreign operations and to avoid having to sell assets cheaply.

Claude Bébéar, chairman of AXA, said that "a few hundred million dollars" would be injected into the Equitable Life Assurance Society, the troubled U.S. insurer in which AXA bought a 49 percent stake last year and has already made extensive investments.

He said that the funds were not intended to meet any "disagreeable surprises" formed in the accounts of the U.S. business but were solely a response to changes in U.S. financial regulations.

One financial analyst in Paris estimated that between \$600 million and \$700 million would have to be injected into the U.S. business to ensure that it conformed with the new prudential risk ratios that U.S. life insurance companies must phase in over the next two years.

Gregory Wilcox, a senior vice president of Equitable, said the company's ratio was now about 85 percent, compared to a ratio of 100 percent eventually required by the rules.

After the announcement of the capital increase, the price of shares in AXA fell by 2.5 percent to 1,114 francs.

AXA said the convertible bonds would be priced to yield to maturity of 7.01 percent.

Mr. Bébéar said he was satisfied with the investment of \$1 billion that AXA has already made in Equitable, stating that this was now worth \$2.82 billion due to a stronger share price. Before exceptional items for the first nine months of 1992, Equitable was expected to show a slight profit of \$300,000 compared to a loss of \$146 million in the same period in 1991, he said.

Regarding other uses of the new funds, the company said it would not make any significant foreign acquisition.

Mr. Bébéar estimated that group profit would be between 1.5 and 1.6 billion francs in 1992, down from 2.3 billion in 1991. (AFP, Reuters, AFX)

Spin-Offs At German Metals Giant

By Brandon Mitchener

International Herald Tribune

FRANKFURT — Metallgesellschaft AG said Tuesday it expected the recovery in the United States and a higher dollar to help earnings this year, following a 65 percent decline in the year ended Sept. 30, 1992.

In the first four months of the current financial year, however, profit was still flat from a year ago, said Heinz Schimmelbusch, chairman of the metals production and trading giant. As a result, the company's two main priorities this year would be aggressive cost-cutting and divestment.

Mr. Schimmelbusch said Metallgesellschaft planned to sell a "large" number of relatively small subsidiaries over the next two years to bring in about 1 billion Deutsche marks (\$605 million). Last year, by comparison, the company brought in 300 million DM by spinning off subsidiaries.

The company said net profit in its latest year fell to 63.6 million DM from 178.7 million DM a year before. The dividend was cut to 8 DM from the previous payout of 10 DM because of falling metals prices and weak export markets.

Revenue last year, including the first-time inclusion of the acquisitions Buderus AG, Dynamit Nobel AG and Cerasis GmbH, rose 21 percent to 25.56 billion DM from 21.18 billion DM a year before.

Before the Tuesday news conference, analysts' expectations for the current year had ranged from a sharp decline to an improvement by a third. The company has been diversifying to become less vulnerable to downswings in world demand for metals.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1992	1992	1992
1800	2800	2100
1700	2700	2000
1600	2600	1900
1500	2500	1800
1400	2400	1700
1300	2300	1600
1200	2200	1500
1100	2100	1400
1000	2000	1300
900	1900	1200
800	1800	1100
700	1700	1000
600	1600	900
500	1500	800
400	1400	700
300	1300	600
200	1200	500
100	1100	400
0	1000	300

Exchange Index Tuesday Close Prev. Close % Change

Amsterdam	CBS Trend	97.90	98.00	-0.10
Brussels	Stock Index	5,959.27	6,003.28	-0.73
Frankfurt	DAX	1,841.58	1,847.16	-0.34
Frankfurt	FAZ	644.90	642.41	+0.39
Helsinki	HEX	917.05	899.27	+1.31
London	Financial Times 30	2,194.00	2,226.10	-1.44
London	FTSE 100	2,831.30	2,870.00	-1.35
Madrid	General Index	235.60	239.00	-1.42
Milan	MB	1,103.00	1,123.00	-1.78
Paris	CAC 40	1,894.85	1,894.73	-0.56
Stockholm	Alliandsvaerlden	1,091.65	1,070.26	+2.03
Vienne	Stock Index	952.71	963.04	-0.69
Zurich	SBS	722.06	721.80	+0.03

Sources: Reuters, AFP

Charter Gets £342 Million for Matthey

Compiled by Our Staff From Dispatches

LONDON — Charter Consolidated PLC said Tuesday it has sold its 38.3 percent stake in Johnson Matthey PLC for £342 million (\$493 million), with just over half going to an arm of the Oppenheimer family empire and the rest placed by brokers on the London market.

The sale was expected and solidified Johnson Matthey's industrial relationships, but Charter said little to clarify its future.

Analysts have speculated Charter might seek to use proceeds of the sale to buy out the 35.8 percent stake in Charter held by Minoro, a subsidiary of the Oppenheimer (flagship Anglo American Corp. But Charter said only that it would use the proceeds to enhance shareholder value, including industrial acquisitions where Charter's management expertise and skills can add value. It said it expected the sale would significantly improve returns and cash flow.

Charter said it sold 36.98 million Johnson Matthey shares, representing 20 percent of the company, to a new company jointly owned by Minoro and Johannesburg Consolidated Investment Co., also an Oppenheimer holding, for £137.8 million. Of this total, which is equivalent to 507 pence a share, £139.2 million is payable on completion and the balance in a single installment three years later.

Charter also said it agreed to sell its remaining 33,942,000 Johnson Matthey shares for £154.6 million, or 455 pence a share, to Barclays and Zoete Wedd Securities Ltd. and UBS Phillips & Drew Securities Ltd. The two securities houses in turn placed the block in the London market at 456 pence a share.

Johnson Matthey shares ended 19 pence lower on the news, at 473 pence.

Johnson Matthey, the leading maker of platinum-based catalytic converters and the largest refiner of gold outside of South Africa, said it welcomed the sale as being in the best interests of the company and broadening its shareholder base significantly.

Johannesburg Consolidated owns the world's largest platinum producer, Rustenburg Platinum Holdings Ltd.

In Brussels, a Minoro spokeswoman said the joint venture would enable Minoro to equity account its share of Matthey profits instead of merely taking dividend income, which is normally the case for stakes under 20 percent. "We have influence over 20 percent for only 10 percent outlay," she said. (AFX, Reuters)

Very briefly:

- Nestlé SA said it has reached agreement to sell eight mineral water springs held by its Source Perrier SA unit to the Castel Group.
- Hoogovens NV, Nucelia NV and Royal van Ommeren NV said they have received letters from the Amsterdam Stock Exchange urging them to reduce their anti-takeover defenses.
- Allianz Lebensversicherungs-AG, the German life insurer, said premium income in 1992 rose 9.4 percent to 10.6 billion Deutsche marks (\$6.4 billion) and net profit was "significantly higher" than in 1991.
- Ethyl Corp. said one of its units has bought Potasse et Produits Chimiques SA, a unit of Rhône-Poulenc SA, for \$100 million.
- Landis & Gyr AG said it has acquired Smart Ingenieurbüro SA, a French microchip card producer, for an undisclosed amount.
- Philips Electronics NV said it would recall about 2 million television sets in Europe due to a potential fault that may be a fire hazard. (AFX, Reuters, Bloomberg)

Reuters Skirts Slump With 13% Profit Rise

Compiled by Our Staff From Dispatches

LONDON — Reuters Holding PLC said Tuesday that pretax profit last year rose 12.6 percent despite the global economic downturn, but the news and information company cautioned that earnings growth might not be as strong in 1993.

Reuters said profit rose to £383.2 million (\$552 million) from £340.3 million in 1991. Sales climbed to £1.57 billion from £1.47 billion.

"Market conditions are favorable enough to sustain growth across all our product lines," Chief Executive Peter Job said.

But he warned that problems affecting the financial community in some of the company's major markets, such as Japan, would "probably mean that the rate of increase in our underlying revenue" would not be "as fast as we would like."

Finance Director Rob Rowley said earnings would be "held back" by the company's policy of hedging in foreign currency markets.

Reuters operates in 141 countries and gets 80 percent of its revenue in currencies other than the British pound. Last year, it converted a "considerable proportion of overseas earnings" that customers pay for in advance into sterling before the currency was devalued last September, Mr. Rowley said.

The company reported a dividend of 21.2 pence a share, after 17.0 pence a year earlier. The 24.7 percent increase surprised many analysts, who had expected a 15 percent hike.

Reuters shares fell 15 pence to finish at £13.83 on the London Stock Exchange.

Reuters said it had strong growth in Eastern Europe and China, although this was offset by weakness in the financial services business in several major markets. It also said its performance improved in the United States, with help from its Instinet unit, which specializes in stock transactions.

Mr. Rowley said he expected the upward trend in the Americas operations, which returned to profit in 1992 for the first time in years, to continue in 1993.

Reuters' Americas business recorded an operating profit of £15.0 million, after a loss of £5.2 million in 1991. Sales rose to £259.4 million, from £228.4 million.

It said the result was helped by good results at Instinet, which saw operating profit rise 66 percent to £14.8 million. (AP, Bloomberg, AFX, Reuters)

Volksbank Plunges into Red in 1992

ZURICH — Swiss Volksbank, the country's fourth-largest bank and soon to be taken over by CS Holding, said Tuesday that heavy loan-loss provisions pushed it into the red last year and forced it to cancel its dividend.

The bank reported a net loss of 68 million francs (\$44.47 million) in 1992 after posting profit of 68.4 million in 1991.

But it said it hoped to return to profit in 1993 and added that savings from the planned closure of up to 150 branches should help produce better results in years ahead.

Volksbank shares rose 20 francs to 1,190 francs on the Zurich exchange.

The plunge into the red came because the bank was forced to increase bad-debt provisions to 720.4 million francs in 1992 from 393.8 million in 1991 to cover problem loans to recession-hit firms.

Hans Kaufmann, a Bank Julius Baer share analyst, said Volksbank's provisions were bigger than expected, suggesting that CS Holding, the new owners, wanted to put all the bad news into the 1992 accounts.

Volksbank shares will cease to be listed on Swiss exchanges following its scheduled purchase by CS Holding, which said in January it planned to take over Volksbank through a share swap.

Nedlloyd Takes Care of One Investor

Bloomberg Business News

ROTTERDAM — Nedlloyd Groep NV's pension fund said Tuesday that it would pay a one-time, conditional premium of up to 5.5 million guilders (\$3 million) to the seller of a 5 percent stake in Nedlloyd that the fund bought in January.

Although the pension fund did not identify the seller, newspaper reports and financial analysts have said the beneficiary of the special deal was Torstein Hagen, a Norwegian financier. Mr. Hagen built up a shareholding of 16 percent in Nedlloyd over a period of months in what he said was a drive to push the shipping company to streamline its operations and be more responsive to stockholders.

Then in January, he sold a 5 percent stake and agreed to resign from the supervisory board, where he had obtained a seat after a determined effort.

"The sale obviously had nothing to do with a pension fund's normal activities," said Kees de Kort, analyst at FDA, an independent financial research company. "It doesn't say anything good about Nedlloyd and it calls into question Hagen's credibility."

The pension fund bought about 1.1 million shares and pledged to pay up to 5 million guilders a share premium, depending on the level of the stock. A spokesman said the money will come from the fund's assets.

The fund confirmed that it bought the shares at 34.40 guilders each on Jan. 7, and that's the price at which Mr. Hagen said he sold on the same day.

Nedlloyd's stock closed down 50 cents on Tuesday at 24 guilders. It has fallen steadily since Mr. Hagen sold his stake, but its net asset value per share is estimated at 75 guilders.

Under an agreement he had with the board, the only way Mr. Hagen could be forced to resign was if he reduced his holding in Nedlloyd to below 15 percent, which he did by selling the 5 percent stake.

The premium is calculated by taking the average Nedlloyd share price over a month and subtracting 35.91 guilders. The 35.91 guilders represents Nedlloyd's pension fund's buying price of each of the shares, minus a 1 guilders premium for the fund, plus 7.5 percent of 33.40 guilders.

The premium can be paid in any month up to Jan. 7, 1994 at the seller's choice.

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JAPAN: Firms Prepare a Leaner, Meaner Economy

(Continued from first finance page)

into overseas markets, also is becoming less accommodating. Japanese consumers, pinched by the loss of overtime and bonus payments and unsettled by the increase in unemployment, are paying more attention to value.

Discount stores are thriving, cutting out middlemen and forcing companies to sell goods at reduced prices to cut bloated inventories.

Gradual rationalization of distribution in Japan, an activity that one official at the Ministry for International Trade and Industry reckons engages as much as 20 percent of the population, would decrease companies' of fat profit margins at home. It also would help foreign companies penetrate the market as well as boost the purchasing power of Japanese consumers.

If markets are less receptive than

before, the nation's labor supply may pose a yet greater challenge. Japan faces a long-term labor shortage, even though companies are trimming staffs to cut costs. The biggest group of workers are in their 40s and 50s, and the supply of labor will peak in 1995. The shortage will be exacerbated by the government's intention to reduce annual working hours from 2,016 in 1991 to 1,800 by 1996.

Companies also will have to invest more in automation and allow greater mobility in the work force. More lower-level manufacturing will be shifted offshore, but fresh investments in overseas plants would come at the expense of domestic capital spending, a prime driver of the economy, according to Jesper Koll, economist at S.G. Warburg Securities.

Corporate Japan's advantage in the cost of capital also has eroded

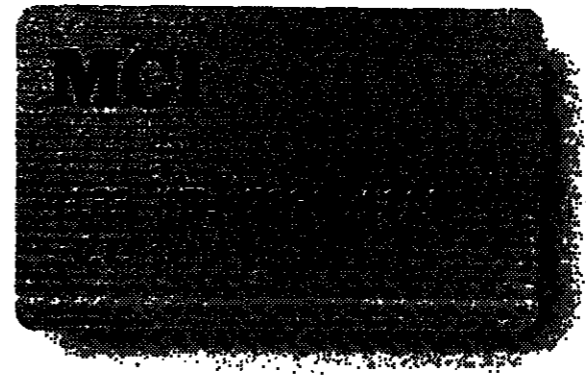
with the advent of global financial markets in the late 1980s. While Japanese shareholders remain more patient than those in the West, giving companies greater scope to make long-term investments, shareholders are demanding higher dividends.

"Institutional investors have changed their strategy," said Kazuo Nakazawa, managing director of Keidaiun, Japan's biggest business federation. "They won't continue to buy stocks without high dividends."

Masayuki Morikawa, deputy director of the industrial structure news center at MITI, said: "The Japanese economic system has been very efficient, but only so long as it was growing and operating at high volumes."

He added, "If we continue in the same mold there will be a major erosion of competitiveness."

THE WORLD IS FLAT



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Bahamas	1-800-624-1000	Denmark	8001-0022	Haiti	001-800-444-1234	Liechtenstein	155-0222	Spain	900-39-0004
Belgium	078-11-00-12	Dominican Republic	1-800-751-6624	Hungary	00-800-0041	Luxembourg	0800-012	Sweden	020-735-322
Bolivia	0-800-2222	Ecuador	170	India	000-127	Monaco	19-00-19	Turkey	155-0222
Brazil	000-9072	Egypt	335-5770	Ireland	1-900-561-001	Netherlands	06-022-91-22	Turkey	99-800-1177
Chile	00-0296	Finland	9800-102-80	Israel	172-50-3727	Norway	060-12912	United Kingdom	0800-89-0272
Colombia	980-16-0001	France	19-00-19	Italy	172-1022	Peru	001-190	Uruguay	000-412
Columbia	080-800000	Germany	030-0002	Jamaica	080001	Poland	001-04-800-222	Venezuela	800-714-0

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NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 1992 High Low Latest Chg

Table with multiple columns for stock prices, including symbols, prices, and changes. Includes entries like IBM, GE, and others.

Table with columns: 12 Month High Low Stock Div Yld PE 1992 High Low Latest Chg. Lists various stock symbols and their corresponding market data.

Table with columns: 12 Month High Low Stock Div Yld PE 1992 High Low Latest Chg. Continuation of stock market data.

Table with columns: 12 Month High Low Stock Div Yld PE 1992 High Low Latest Chg. Continuation of stock market data.

Table with columns: 12 Month High Low Stock Div Yld PE 1992 High Low Latest Chg. Continuation of stock market data.

IBM Unveils Mainframes A Bid to Revive Its Major Product Line

NEW YORK — International Business Machines Corp. introduced 18 new models Tuesday in its ES/9000 mainframe business in an attempt to invigorate its biggest product line.

IBM said it would immediately start shipments of a new ES/9000 Model 962, the most powerful in its line. Other mainframes will be available by May.

The company did not disclose list prices for the computers, which generally cost as much as \$24 million.

In a statement, IBM said it was adopting a policy that strips list prices from particular models. Instead, new mainframes will be priced according to a user's computer needs. This policy aims to make sales more competitive.

One company official said that all future IBM computers would be compatible with each other, in part because they will use the Unix computer language, which runs on IBM RS/6000 workstations, as well as those of IBM's biggest competitors, including Hewlett-Packard Co.

IBM said it would make its new ES/9000s compatible with the company's other computers, using so-called open systems architecture. In time, IBM said both open systems and its policy of designing computers in parallel with one another should make them all compatible. IBM also said it will license its open systems technology to other companies.

Despite its faults, the mainframe is still the preferred solution for many industrial-strength computing chores, like handling payrolls and accounting at large corporations or serving as the number-crunching nerve centers of banks and airline reservations systems.

"People say the mainframe is a dinosaur, but in our business it is alive and well for the foreseeable future," said Allan Loren, president of the Covia Partnership, which runs Apollo, a reservations system owned by airlines including United, British Airways and Swissair.

And although IBM's mainframe business may not be the gold mine it once was, it is still by far the company's most profitable business.

Bob Djurdjevic, president of Annex Research, calculated that if IBM's mainframe business, including related software and services, were spun off as a separate company, its shares could be worth more than \$90 each, compared with Tuesday's price of \$53.625.

"The mainframe isn't going away," said James Cassell, an expert on large computers at the Gartner Group.

Even so, no one disputes that the mainframe's golden era is over. To survive, producers must not only incorporate new technologies, but also avoid commodity-style competition in hardware by offering software and services tailored for customers, analysts say. (Bloomberg, NYT)

Table with columns: 12 Month High Low Stock Div Yld PE 1992 High Low Latest Chg. Lists various stock symbols and their corresponding market data.

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Herald Tribune

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NYSE

Tuesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg. Lists various stocks and their prices.

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NYSE High-Lows and AMEX High-Lows sections listing high and low prices for various stocks.

For investment information read THE MONEY REPORT every Saturday in the IHT

AMEX

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ESCORTS & GUIDES section with Belle Epoch, Mercedes, and Zurich services.

INTERNATIONAL CLASSIFIED section with various travel and service listings.

ESCORTS & GUIDES section with Zurich, Frankfurt, and other travel services.

ELECTRIC SYSTEMS advertisement for AEG, featuring an image of electrical equipment and text about energy solutions.

AMEX

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U.S. trade policy
The Japanese recession
Clinton's staffing problems
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Par l'Assemblée Générale Extraordinaire du 2 octobre 1992, la Société ARIANE a changé sa dénomination sociale en VICTOIRE ARIANE.

WORLD BALANCED FUND SICAV
2, boulevard Royal, L-2953 Luxembourg
R.C. Luxembourg B-24872
Notice is hereby given to the shareholders, that the ANNUAL GENERAL MEETING of shareholders of WORLD BALANCED FUND will be held at the company's registered office, 2, boulevard Royal, L-2953 Luxembourg, on February 19, 1993 at 11.00 a.m. with the following agenda:

On March 25th, the IHT will publish an advertising section on High Technology: A Guide to the 21st Century
Among the topics to be covered are: Technologies of the future, Outlook for cooperation among the U.S., Japan and Europe, Technology designed to clean up air and water pollution, Financing the emerging technology industries, Economics of scale through corporate alliances.

Stock Issue Hits H.K. Banking

Demand for Mainland Carmaker Drains Cash

Bloomberg Business News

HONG KONG — A stock issue for a China-controlled auto company that is expected to be heavily oversubscribed is putting a huge strain Tuesday on the Hong Kong banking system.

The auto company, Denway Investment, will be the first major company with carmaking interests to be listed on the Hong Kong Stock Exchange.

A 95-percent-owned unit of the company has a 46 percent interest in Guangzhou Peugeot Automobile Co., a joint-venture maker of Peugeot sedans, station wagons and trucks in the southern Chinese city of Guangzhou.

Brokers and bankers estimated that the Denway share flotation would be oversubscribed as many as 600 times.

This would freeze a record 200 billion to 217 billion dollars (\$26 billion to \$28 billion) — more than the total value of bank notes and coins in circulation in the territory

for at least a week until money is returned to the failed applicants. It also would provide Denway with a huge windfall from the interest earned on the money.

The Hong Kong government's monetary body, the Office of the Exchange Fund, is keeping a close watch on the banking system and attempting to prevent any sharp rise in interest rates as a result of the demand for funds, according to a senior Exchange Fund official.

"We have to ensure there isn't an unhealthy and drastic movement in interbank interest rates," said Norman Chan, the fund's deputy director for monetary management.

One-week interbank rates touched 5 percent Monday and settled at about 4 percent Tuesday. A week ago, they were 3.375 percent. The Denway offer of 330 million shares at 1.22 dollars each, of which

33 million are reserved for staff, is due to close Wednesday. Hongkong & Shanghai Banking Corp.'s manager for strategic planning, Steve Troop, said: "We have been surprised by the size of this offering and the way it is developing. I am not sure where the appetite is coming from."

Brokers said the big demand reflected the popularity of Chinese stocks in Hong Kong, especially those in a position to benefit from a consumer boom on the mainland.

Analysts said demand also was being fueled by the low cost of funding in Hong Kong, where interest rates are much lower than the inflation rate, which is about 10 percent.

And there are few attractive alternatives for investment in Hong Kong now. Prices of apartments have slipped in recent months after rising sharply in the last couple of years, and the stock market has stalled due to the Chinese-British dispute over political reforms.

Taipei Sets Oil, Power Sell-Offs

TAIPEI — Taiwan announced Tuesday that it would privatize its state-run power supplier and national oil company, which together are capitalized at about 240 billion Taiwan dollars (\$9.2 billion).

The government's Commission of National Corporations is making plans to sell a majority stake in Chinese Petroleum Corp., which has a monopoly on imports and refining.

The government also has decided to privatize Taiwan Power Co., the electrical utility, as well as Taiwan Fertilizer Co. and Taiwan Salt Works, a commission spokesman said.

Sales of stakes will begin in 1994 at the earliest, and in the case of the oil and power companies will be spread over several years, the spokesman said.

Chung Quits Politics In Lift for Hyundai

SEOUL — Chung Ju-Yung, founder of South Korea's Hyundai group and the defeated third-party candidate in December's presidential election, told party leaders Tuesday he was withdrawing from politics to focus anew on business.

Mr. Chung, 77, who had pledged his seat in parliament and barred from running for president again, Mr. Chung has since reimbursed the money by selling stocks.

A spokesman for Mr. Chung said party leaders believed he was quitting as UPP executive chairman because of the government's "unfair pressure."

On Saturday, prosecutors charged Mr. Chung with embezzling about \$62 million in company funds to aid his campaign. If found guilty, he could be stripped of his seat in parliament and barred from running for president again.

This is good news for Hyundai, said Kim Jin Sun, a senior analyst at Jardine Fleming Securities Ltd. in Seoul. "With Chung's departure from politics, the pressures on Hyundai companies should ease up."

Issues on the Korea Stock Exchange made solid gains on the news, with the main index rising 3.15 points, to 675.33. All 19 Hyundai group issues posted strong gains, with 10 hitting their daily ceilings.

Investor's Asia

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong Hang Seng	6800	5,799.52	5,786.85	+0.05
Singapore Straits Times	1700	1,824.52	1,815.73	+0.54
Tokyo Nikkei 225	2000	17,022.27	17,281.73	-1.50
Sydney All Ordinaries	1,583.90	1,559.40	1,559.40	-0.25
Kuala Lumpur Composite	639.97	641.60	641.60	-1.05
Bangkok SET	970.82	980.93	980.93	+0.47
Seoul Composite Stock	675.33	672.18	672.18	-0.32
Taipei Weighted Price	3,637.03	3,648.75	3,648.75	-0.39
Manila Composite	1,374.54	1,379.89	1,379.89	N.A.
Jakarta Stock Index	298.07	N.A.	N.A.	-
New Zealand NZSE-40	1,567.15	1,569.95	1,569.95	-
Bombay National Index	N.A.	1,223.40	1,223.40	-

Sources: Reuters, AFP. International Herald Tribune

Very briefly:

- Thai Airways International's stock fell to 49.50 baht (\$1.94), its lowest close since its public offering at 60 baht a share last July, after it reported last week an 85 percent fall in quarterly profit.
- The Asian Development Bank's lending hit a record \$5.1 billion in 1992, with a 10 percent increase in public-sector lending.
- Fukutake Publishing Co. said it bought 67 percent of the common stock of Berlitz International Inc. for \$37.2 million in a long-delayed transaction with Maxwell Communication Corp.
- Nintendo Co. will set up three sales units in Europe, where it has been selling its computer games through Bandai Co., and hopes as a result to raise sales by 30 percent to 130 billion yen (\$1.05 billion) in 1993.
- Stefanel SpA, the Italian apparel maker, is forming a venture with Onward Kashiyama Co. to manufacture Stefanel items in Japan.
- Samsung Motor Co. will produce a new line of midsize passenger cars starting in 1996 using technology provided by Mercedes-Benz AG.
- Illinois Tool Works Inc. won't extend its \$7 million Australian dollar (\$58 million) hostile bid for the tool manufacturer Sidons Ramsett Ltd., which expires Feb. 18; this is tantamount to abandoning the bid, because Illinois Tool has acceptance covering only 0.1 percent of Sidons shares.
- Arnotts Ltd.'s stock fell 46 cents to close at 9.05 Australian dollars a share after Campbell Soup Co.'s 9.50-a-share bid expired with the U.S. company holding 58 percent of Arnotts.
- Iran plans to invest \$4 billion in petrochemical industries with the aim of increasing capacity to 12 million tons from 9 million.

GM Moves Asia Headquarters to Asia

HONG KONG — General Motors Corp. said here Tuesday that it would move its Asian and Pacific operations headquarters from Detroit to Singapore to give its regional involvement greater support.

China Funds Bog Down in the Crowd

HONG KONG — Mutual funds based on China investments have been flooding the global market, and analysts have turned bearish about their prospects.

Only about 40 percent of the so-called China funds have been invested in Chinese stocks, they say. Meanwhile, lots of money is chasing the few stocks on China's B share market, which is reserved for foreigners.

"Proliferation of country funds is always a bad sign," said Marc Faber, managing director Marc Faber Ltd., a Hong Kong investment consultant firm.

While most China funds are hovering at their 10 Hong Kong dollar (\$1.30) issue prices, volatility is high as seen in the Barclays China Fund, according to Roger Pytko, regional director of Barclays International Fund Managers.

The fund's issue price was 10 dollars in April. It hit a high of 13 dollars and a low of 8 dollars, and

on Tuesday closed at 10.35 dollars. About half of the fund is invested in B shares, and Mr. Pytko said that by the middle of the year, it would be 75 percent invested.

Bad Films Brake News Corp.

SYDNEY — Rupert Murdoch's News Corp. announced Tuesday a sharp earnings drop at its Twentieth Century Fox Films unit in the United States because of two unsuccessful movies. The result, however, did not dim News Corp.'s bright overall results for the six months that ended in December.

Australian Stimulus Package Gets Market's Vote

SYDNEY — The Australian dollar and stocks rose sharply Tuesday after Prime Minister Paul Keating announced a pre-election economic stimulus package including a cut in corporate taxes and the sale of part of the government's stake in Commonwealth Bank.

Mr. Keating said the four-year, 2.5 billion dollar (\$1.7 billion) package, which hinges on his re-election, was aimed at stimulating economic activity and creating jobs. But he conceded that growth was still too slow to reduce unemployment, now 11.3 percent.

Stocks soared on the announcement. The All-Ordinaries index was up as much as 30 points, to 1,609, a six-month high, before settling back to close 24.5 points higher, at 1,583.9.

The Australian dollar, which slumped more than half a cent Monday following Mr. Keating's weekend announcement of a March 13 election, rallied to 67.07 U.S. cents from 66.85.

Bond prices rallied because Mr. Keating did not spend more than was expected, said Tracy Adcock, a dealer at Westpac Bank.

NASDAQ Tuesday's Prices

High	Low	Open	Close	Div	Yld	PE	12M	High	Low	Open	Close	Div	Yld	PE	12M
100	95	98	97	1.00	5.00	15	10	100	95	98	97	1.00	5.00	15	10
200	195	198	197	2.00	5.00	15	10	200	195	198	197	2.00	5.00	15	10
300	295	298	297	3.00	5.00	15	10	300	295	298	297	3.00	5.00	15	10
400	395	398	397	4.00	5.00	15	10	400	395	398	397	4.00	5.00	15	10
500	495	498	497	5.00	5.00	15	10	500	495	498	497	5.00	5.00	15	10
600	595	598	597	6.00	5.00	15	10	600	595	598	597	6.00	5.00	15	10
700	695	698	697	7.00	5.00	15	10	700	695	698	697	7.00	5.00	15	10
800	795	798	797	8.00	5.00	15	10	800	795	798	797	8.00	5.00	15	10
900	895	898	897	9.00	5.00	15	10	900	895	898	897	9.00	5.00	15	10
1000	995	998	997	10.00	5.00	15	10	1000	995	998	997	10.00	5.00	15	10

SPORTS BASKETBALL

A Longtime Coach-Player Feud May Sink the Los Angeles Clippers

By Tom Friend
New York Times Service

LOS ANGELES — Danny Manning, six months out of the University of Kansas, pierced his ear. His college coach, Larry Brown, ordinarily would have made him stitch it up. But Brown was coaching the San Antonio Spurs by then, while Manning was with the Los Angeles Clippers, shopping, on Melrose Avenue, for hoop earrings.

trying to take Brown's job or anything like that," the 6-foot, 10-inch (2.1 meter) forward explained on Jan. 8, tired of the coach chastising him. "He's a great teacher, but we've been together an awful long time. Too long, actually."

feuded with Brown — said it is "very unlikely" Manning will sign again with the team. This leaves the Clippers with limited options. They can move him now, before the Feb. 25 trade deadline. Or they can trade him later. Or they can let him leave in 1994, clearing up \$3 million under their salary cap, and sign the best unrestricted free agent. "Kendall Gill should be available then," said a team executive who requested anonymity. Or they can legitimately try to sign Manning again, although that likely could take \$5 million-plus.

They go back 10 years, to when Brown hired Manning's father, Ed, as a Kansas assistant. It was a two-for-one deal, because the younger Manning was rated the best high school senior in the nation and was bound, naturally, to follow his dad to campus.

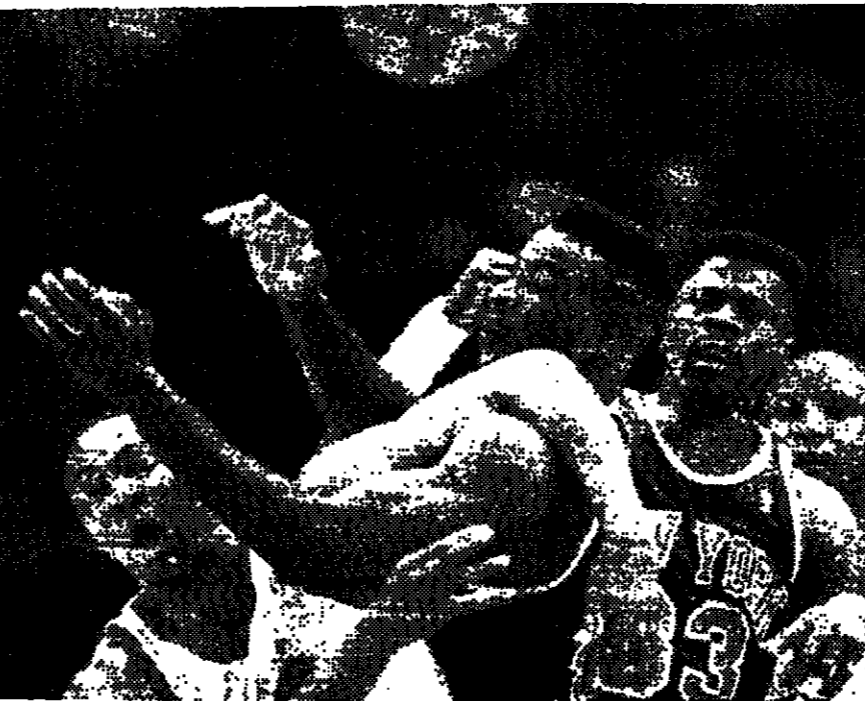
UCLA in the championship game against Louisville," Turgeon said. "And how Darrell Griffith was the best player on the court and wouldn't let Louisville lose. He said, 'Danny, you're the best player on the court; don't let us lose.' And Danny didn't."

Grinker, didn't want Danny to have and told him it was a waste of money when he was in college. I was real concerned."

No. 3 Duke's Hurley Fires And Clemson Falls Back

The Associated Press
Grant Hill has seen Bobby Hurley miss a lot of shots, but few when Duke needs the points.

Grant Hill made 13 of 15 free throws overall and led Duke with 25 points.



Patrick Ewing (33) stepped forward with 40 points, 10 in overtime, as New York won.

Ewing, Dallas Stay in Form

Compiled by Our Staff From Dispatches
Once again, Patrick Ewing came up big and Dallas came up short.

Ewing scored a season-high 40 points, getting 10 in overtime, as the New York Knicks made the 76ers their fifth straight victim, 120-115, Monday night in Philadelphia.

COLLEGE BASKETBALL
3 Duke to a 93-84 victory at Clemson in an Atlantic Coast Conference game Monday night.

No. 10 Florida State 99, No. 24 Virginia 84: In Tallahassee, Florida, Douglas Edwards scored 25 points and Bob Sura added 20 as the Seminoles (17-6, 7-2 ACC) won for the ninth time in 10 games by overcoming a career-best 23 points and 19 rebounds by Ted Jeffries of the Cavaliers (13-5, 3-4).

It Was a Thorny Game for All the Day Cantona Came Back to Leeds

LONDON — Watching the English trying to fathom a great but maverick French performer is something of a culture shock.

had fitness, style ... a real player," said one. "He was everything you look up to."

I HAVE TO SAY that Cantona had never promised he would stay. His entire career has been one of passing through, often staying far less than the 10 months he gave Leeds.

drifted wide, the crowd — his crowd until recent weeks — howled. He looked up into faces that had exulted in his goals but who now jeered; if he raised an eyebrow, that was as much emotion as he would display.

It was Manning. "I told him basically I would make it right, and I'd work on it. And I hope by my actions he's seen that. I've just tried to coach him in a positive way and try to point out his mistakes and recognize the things he does well, and be real professional with him. But I'm not socializing with him."

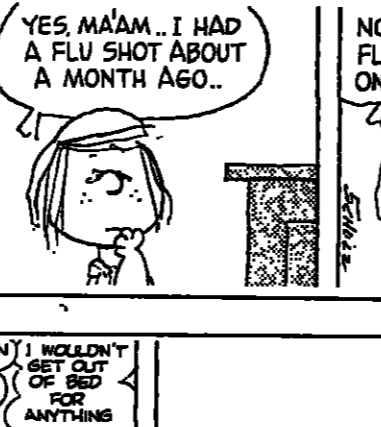
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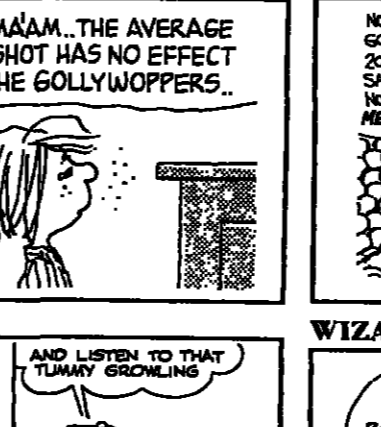
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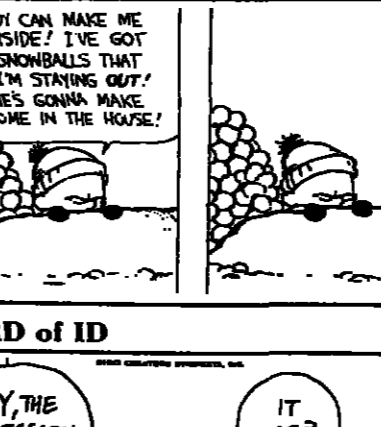
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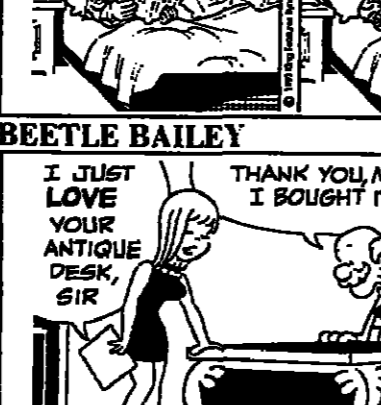


GARFIELD

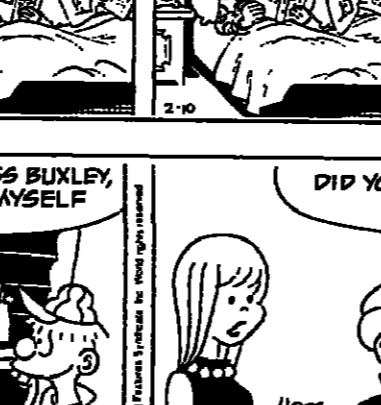


JUMBLE: A word game section with a grid and instructions.

BEEBLE BAILEY



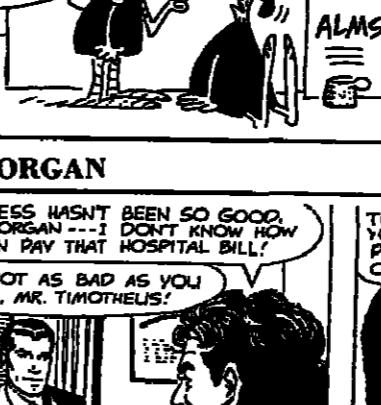
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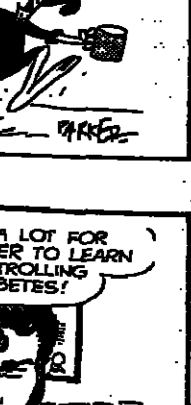
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EVERY WEEK I HAVE A BIG BATCH WITH BETTY. COOKING BROWNIES, BUT LAST WEEK MY SUPPLIER GOT BUSTED. I THOUGHT MAYBE YOU MIGHT KNOW SOMEONE ELSE.

MUCH BETTER

MUCH BETTER

SPORTS SKIING

Buder Triumphs In Women's Slalom Wind Stops Giant Slalom, And the Flu Halts Tomba

Compiled by Our Staff From Dispatches SHIZUKUIISHI, Japan — Karin Buder of Austria charged from far back in the field on Tuesday to edge Julie Parisien of the United States for the women's slalom gold medal at the World Alpine Ski Championships.

Tomba, the two-time Olympic giant-slalom champion, was stricken with the flu Sunday night and spent Monday in bed. In case he was ready to race, his team picked start No. 4 for him in Tuesday's race.

They were perhaps unaware that four is an unlucky number in Japan, and it certainly proved to be so for Tomba, who still had a fever on Tuesday morning. His doctor kept him in bed and said he needed four or five days to regain his health.

Parisien, second after the morning heat, had a second run of 43.23 seconds that left her 0.21 seconds behind Buder. Elf Eder of Austria, third in the morning, was the bronze in 1:38.42.

Parisien was happy to achieve the second silver for the United States in as many events. Her compatriot Picabo Street finished second in the women's combined.

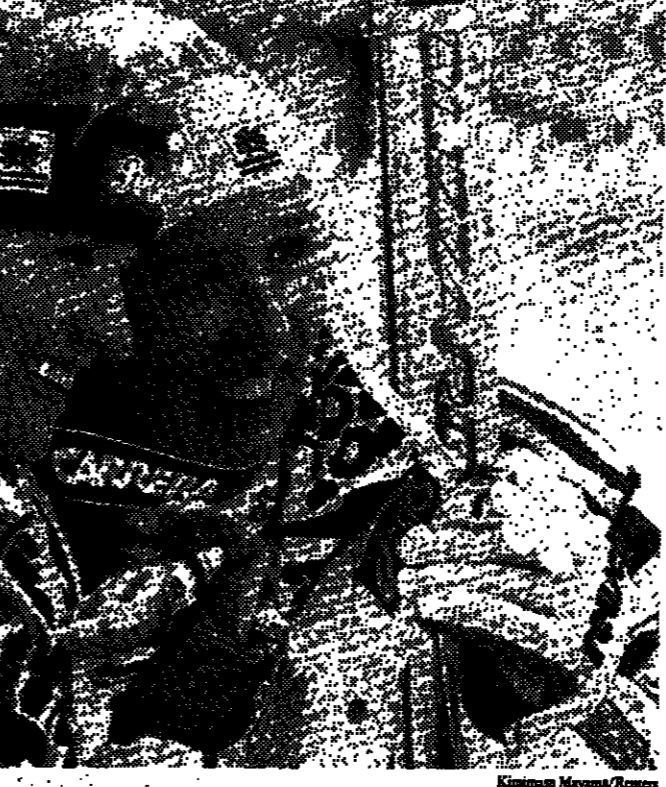
Vreni Schneider of Switzerland, gold medalist in the 1991 championships in Saalbach, Austria, failed to finish the first slalom run. She was bidding for her ninth Olympic or world championship medal and a fifth gold.

Switzerland's Vreni Schneider, above, the gold medalist in the 1991 championships in Saalbach, Austria, fell in the first slalom run, ending her hopes of getting a ninth Olympic or world championship medal.

Switzerland's Vreni Schneider, above, the gold medalist in the 1991 championships in Saalbach, Austria, fell in the first slalom run, ending her hopes of getting a ninth Olympic or world championship medal.



Debra Peoples/The Associated Press



Klausmann/Magnum/Reuters

Obstacles Fall For a Match by Bowe and Lewis

By Michael Martinez New York Times Service NEW YORK — Despite a number of significant obstacles that stood in the way of a Riddick Bowe-Lexno Lewis heavyweight title fight, the bout that everyone wants to see is suddenly becoming a real possibility and could take place as early as June at Caesars Palace in Las Vegas.

Newman was open to a fight, but that he was ready to talk. "I'll get off the plane right now and walk back if they want to start talking," Maloney said on a flight to Washington. "I'm fed up with all their stories. It's genuine, put an offer on the table and we'll negotiate."

For Taiwan's Skiers, Slopes Couldn't Be Greener

SKI ON SNOW. We practice for a week or two and then compete. "It's easier to ski on snow, more stimulating," Chang said.

For grassy slopes, the Taiwanese use skis with rollers, something like an earth-moving machine's caterpillar tracks.

SCOREBOARD

BASKETBALL

NBA Standings

Table showing NBA Standings for Eastern Conference Atlantic Division and Western Conference Midwest Division.

Major College Scores

Table showing Major College Scores for various teams like Coastal Carolina, Colgate, and Duke.

HOCKEY

NHL Standings

Table showing NHL Standings for various teams like Pittsburgh, Washington, and New York Rangers.

SOCCER

ENGLISH PREMIER LEAGUE

Table showing English Premier League standings for Leeds and Manchester United.

CRICKET

16-GAME TRIANGULAR SERIES

Table showing 16-game triangular series results for South Africa and Pakistan.

SKIING

WORLD ALPINE CHAMPIONSHIPS

Table showing World Alpine Championships results for women's slalom.

France Wins First Gold In Biathlon

BOROVETS, Bulgaria — France won the first gold medal at the World Biathlon Championship in the women's 15-kilometer team competition on Tuesday, and Germany won gold in the men's 20-kilometer event.

SIDELINES

LeMond, Chiappucci Start Badly

ST. LAURENT-DU-VAR, France (Reuters) — Tour de France stars Greg LeMond and Claudio Chiappucci made a disastrous start Tuesday to their 1993 cycling campaign when Chiappucci came in 138th and LeMond the three-time U.S. winner of the Tour de France, became detached from his French team during the 11.3-kilometer team time trial in San Remo, Italy, and lost 2 1/2 minutes.

Another Frenchman Quits Vendée

WELLINGTON, New Zealand (AFP) — A second French yachtsman in the Vendée Globe Challenge was forced Tuesday to return from the round-the-world solo race.

Atlanta Games a Loser Last Year

ATLANTA (AP) — Despite losing \$11.2 million last year, officials of the Atlanta Committee for the Olympic Games have told members of a state oversight panel that there is no cause for alarm.

Astros Sign 3 Players at \$32 Million

The Associated Press NEW YORK — Drayton McLane, the new owner of the Houston Astros, certainly doesn't mind paying the big bucks.

On Dec. 1, he spent \$19.5 million on a four-year deal with Doug Drabek. Two days later, he agreed to a \$17 million, four-year contract with Greg Swindell. And on Monday, he committed \$32.3 million for three players at the heart of his team: third baseman Ken Caminiti, second baseman Craig Biggio and center fielder Steve Finley.

Biggio is guaranteed \$11 million, while Caminiti is guaranteed \$10.9 million and Finley \$10.4 million.

Five other players agreed to one-year deals Monday, leaving 41 in arbitration.

Outfielder Larry Walker and Montrealer Andre Dawson, both of whom would play a prominent role in a Lewis-Bowe fight, King would then be left with no fight and no immediate contender.

Lewis's manager, Maloney, said that he had not been aware that

the Atlanta Braves agreed at \$925,000, more than double his 1992 salary of \$450,000. Right-hander Kris Carpenter and the Florida Marlins agreed at \$725,000, four times his \$170,000 salary last year.

The three Astros each received \$600,000 signing bonuses. Biggio, 27, will get \$2.85 million this season, \$3.15 million in 1994 and \$4.4 million in 1995. Caminiti, 29, will earn yearly salaries of \$2.95 million, \$3 million and \$4.35 million. Finley, 27, will get salaries of \$2.7 million, \$2.85 million and \$4.25 million.

Biggio hit .277 last season and drove in 39 runs. Caminiti led the Astros with a .294 average and drove in 62 runs. Finley, obtained in a trade with Baltimore in 1991, hit .292 and drove in 55 runs.

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MONDAY'S RESULTS

Table showing Monday's Results for various sports events like football, basketball, and tennis.

THE AP TOP 25

Table showing The AP Top 25 for college basketball, with teams like Duke and North Carolina.

TRANSACTIONS

Table showing transactions for various sports teams like Chicago Cubs, Florida Marlins, and Los Angeles Dodgers.

BASEBALL

Table showing baseball transactions including trades and signings for various players.

FOOTBALL

Table showing football transactions including trades and signings for various players.

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OBSERVER

Our Land of Yak

By Russell Baker
NEW YORK—I am trying to worry about the deficit but making headway. Driving shirts to the laundry. I am worrying about the American laundry situation when a radio yammerer insinuates himself into my ear.

So this day, Thursday, I am debating whether to give the laundryman a piece of my mind or treat him to some cutting sarcasm. Three weeks rinsing my white shirts have come back tinted a faint but unmistakable blue.

The laundryman is a simple, hard-working man. The best way to get results, doubtless, is to speak forthrightly: "If these shirts come out blue this time, fella, my business goes elsewhere."

My answer, if hauled before this

nationwide audience, would be a despicable, "Nothing." That's because I've always thought deficits highly overrated.

I recall Republicans railing for 30 years that deficits would kill us all, which they didn't. I recall the Republicans then running up a deficit that made the Democrats look like bush-league deficiters.

My life in Deficit Land leaves me suspicious of politicians, not to mention economists, don't understand deficits any better than my laundryman, not to mention me, understands quantum electrodynamics.

Nevertheless, here is one of these inescapable call-in radio shows assuming that the kind of people who call in are so desperate about the deficit that they will go on the air and pledge sacrifices to end it.

Instantly my mind, accustomed to taking big philosophical leaps, propounds a proposition: If the American masses were to master the details of their daily toil—the laundryman keeping the blue out of the white shirts, the oil-changer remembering to put fresh oil in the car after draining the crankcase, and so on—then the habit of efficiency would become so ingrained in the national spirit that no deficit whatever could possibly occur.

Listening to America phoning in, I am heartened to see that it agreed with me. One caller, not a congressman, said he would happily sacrifice Congress's pay raise. A Brooklyn woman who struggled, she said, to supplement her poor mother's paltry Social Security check offered to accept a substantial income-tax increase on my salary.

At the laundry I am too depressed to mention the blue in the shirts. Back home I walk past the TV set. Mury Fovitz is talking to a young woman. The caption on the screen identifies her as "Recovering Sex Addict." Another woman speaks. "Engaged to Recovering Sex Addict," says the caption. The audience is enthralled.

Was it for this and failed laundry that we won the Battle of Midway?

Brecht's Legacy: Theater at a Crossroads

By John Rockwell
New York Times Service

BERLIN—Grim and totalitarian East Berlin produced the most innovative, exciting theater in Germany, East or West. The East Germans subsidized the arts lavishly for propagandistic purposes. But that couldn't explain the stream of brilliant stage directors, many of whom immigrated to the West, who emerged from East Berlin in the 1950s and '60s.

The source and center of that theatrical energy was Bertolt Brecht and the theater company he founded in 1949, the Berliner Ensemble.

Young directors and actors flocked to Brecht and to perhaps naive notions of leftist idealism. The theater remained a source of East German artistic vitality even after his death in 1956.

So the removal of Brecht's heirs from control of the Berliner Ensemble and the privatization of this former stronghold of Communist ideology have become potent symbols of cultural life in the new Berlin. The change became official in mid-January, and the first production from the five-director collective that is running the theater was Shakespeare's "Pericles."

While interesting and honorable, the staging, by a 74-year-old former Brecht disciple named Peter Palitzsch, is not at the forefront of contemporary directorial innovation. Ruth Berghaus, another Brecht disciple with close personal and professional ties to this theater, and a widely admired director for more than two decades, could make that claim.

But Berghaus was driven from the directorship of the ensemble in 1977 by the leading Brecht heir, Barbara Brecht-Schall. While Berghaus, now 65, has given no indication that she harbors the slightest ambition to return to the ensemble, she remains part of the tangled familial and personal relations that define this dynamic drama. And her radical post-Brechtian style of direction, seen this year in two fascinating operas produced in Frankfurt and Berlin, shows one way Brechtian traditions might be revitalized.

Berghaus's departure came shortly after the death of Brecht's widow (Brecht-Schall's mother), Helene Weigel. Weigel was a powerful theatrical force in her own right, an actress who defined Brecht's "Mother Courage" for all who saw her in it. Her death apparently cost Berghaus, who was herself married to Paul Dessau, Brecht's last regular composer, a measure of protection. She was forced from the company because, by all accounts, Brecht-Schall found her style a too radical interpretation of Brecht's plays and theories (Brecht-Schall was reportedly in a hospital and unable to comment for this article.)



Hermann Beyer in "Pericles," the first production of the newly privatized Berliner Ensemble. Inset: Bertolt Brecht.

The Berliner Ensemble in the 1980s was threefold. First, it was overstaffed, given the Communists' commitment to full employment no matter how useless. Although the new ensemble is technically private, it receives a \$16 million annual subsidy from the Berlin city government. Even so, personnel has been pared by some 40 people. Palitzsch said, although Brecht-Schall has asserted the figure to be in the hundreds.

The current ensemble includes Ekkehard Schall, Brecht-Schall's husband and a long-remembered Brecht actor who played Antiochus in "Pericles," which ended its run on Jan. 31. Second, the theater's directors allowed the Brecht style to ossify, refusing, like Cosima Wagner at Bayreuth, to permit innovation in violation of the Master's supposed wishes. Even Mrs. Brecht-Schall conceded, in an interview with The Independent of London, that the '80s saw some "terrible productions."

Third, the theater's upper echelons grew uncomfortably close to the repressive Erich Honecker regime, a closeness that proved embarrassing after the Berlin Wall came down in 1989.

theater, or Berghaus, have necessarily re-created their own leftist idealism. The current co-owners are well-known veteran directors, several of whom worked at the theater before emigrating West: Palitzsch, Peter Zadek, Matthias Langhoff, Fritz Marquardt and Heiner Müller, who also happens to be one of Germany's best playwrights.

Müller is among several former East German intellectuals facing charges that they collaborated with the East German secret police. The charges in his case are vaguer than most, and Müller denies all but the most casual and inevitable police contacts.

But if the ensemble had problems in the '80s, it has new difficulties now, and chief among them is a lack of clear artistic vision. Part of the trouble is the inherent unwieldiness of a five-member directorate. "It's an adventure, a big adventure," Palitzsch said optimistically in an interview.

For Müller, the major difficulty is the one facing most intellectuals in the former Eastern bloc: what to do with their newfound freedom. "At the moment, the theater can only react, but it has no future if it only reacts," he said in the interview.

As far as repertory is concerned, German critics have complained about the choice of "Pericles," which is probably only partly by Shakespeare and counts among his weakest efforts. Palitzsch said he was attracted by "the hero who isn't one, who has continually to begin again from square one."

But what has caused the most comment is that this company, housed in the very theater that saw the first performance of "The Threepenny Opera" in 1928, has no plans to perform any Brecht at all (apart from a fragment completed by Müller).

Before 1989, the ensemble had exclusive rights to Brecht for East Berlin. Now the plays are up for grabs, although only one year at a time, with renewals possible, which Palitzsch said was untenable. Müller, eager not to burn all bridges with Brecht-Schall, stressed her sincere loyalty to Brecht, his conviction that she was serving his best interests. But that seems questionable.

By now, however, Brecht has probably transcended the control of any heir. His influence has been so pervasive that no one director or company can claim primacy as his disciple.

PEOPLE

After 'Malcolm X,' Will It Be 'Mike Tyson'?

Spike Lee, who most recently made Malcolm X larger-than-life on the big screen, says Mike Tyson's life story would make a good movie, but he didn't say whether he would consider making it. Lee spoke after visiting Tyson in Plainfield, Indiana, where the boxer is serving a six-year sentence for rape. About that conviction, Lee said: "Mike Tyson? He got railroaded. Look at what happened to Mike. Look at what happened to Mike [William] Kennedy [Smith]. All I know is he's walking free and Mike is in the slammer."

Carly Johnson seems to have gotten the better of the Manchester Academy of Fine Arts. It chose her abstract watercolor, "Rhythm of the Trees," for its annual art show because it displayed "a certain quality of color balance, composition and technical skill." Carly, it turns out, was 4 when she painted it (she's 5 now). The artist's mother, Helen, said she submitted the picture as a joke. "It proves anybody can do modern art," she said. A buyer in Ireland got the painting for £295 (\$420).

The normally reclusive Michael Jackson has been making a surprising number of public appearances recently, and Wednesday night he will be talking to Oprah Winfrey in his first one-on-one interview he has done in nearly a decade. She will be interviewing the star from his ranch in Santa Ynez, California.

Prince Charles will be throwing a party on board the royal yacht Britannia when it docks Feb. 21 in Kingston, Jamaica.

Seymour Topping, a former managing editor of The New York Times, has been named administrator of the Pulitzer Prizes. Topping, currently director of editorial development of the Times Co.'s regional newspapers, succeeds Robert C. Christopher, who died in June.

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WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Oceania. Columns include location, high/low temperatures, and weather conditions.

WEATHER

Table with weather forecasts for Asia and Africa. Columns include location, high/low temperatures, and weather conditions.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle from Feb. 9.

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Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle from Feb. 9.

BOOKS

ZEALOTS FOR ZION: Inside Israel's West Bank Settlement Movement. By Robert I. Friedman. 263 pages. \$23. Random House.
SLEEPING ON A WIRE: Conversations with Palestinians in Israel. By David Grossman. 326 pages. \$22. Farrar Straus Giroux.
Reviewed by Donald Neff

These two insightful books are among a new genre of works on Israel that has grown in the past few years in the United States and appears to be setting a higher standard of objectivity for studies of the Palestinian-Israeli conflict. Although the new works are by no means basically antithetical to Israel, gone is the awed hero worship of Israelis and their achievements that marked books about Israel's first four decades of existence. These books sweep aside the clichés to reveal Israelis and Palestinians rich in diversity and intellectual questing in the midst of their confrontation.

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